are here. You have made your point. Two Ministers of State for Home are here. They will take note of it. The Government can come back to the House at a proper time. If I allow you, I will have to allow others also because I cannot discriminate between you and the other Membes. You should understand this. ...*(Interruptions)*... You said that the Government should take care of it. The Government will come back with a reply...*(Interruptions)*...

श्री मोहम्मद अफजल उर्फ मीम अफज़ल: मैडम्, यह ...(व्यवधान)...

†[شری محمد افضل عرف م - افضل: میڈم - یہ ... "مداخلت" ...]

प्रो॰ विजय कुमार मल्होत्रा: कोई दुनियां की ताकत वहां मस्जिद नहीं बना सकती। It must be clear to everyone.

श्री मोहम्मद अफजल उर्फ मीम अफज़ल: मैं वहां की एक्टिविटिज की बात कर रहा हूं। ...(व्यवधान)... सरकार बताए कि वहां क्या चल रहा है। ...(व्यवधान)...

†[شری محمد افضل عرف م - افضل: میں وہاں کی ایکٹی ویٹیز کی بات کر رہا ہوں ... "مداخلت" ... سرکار بتائے کہ وہاں کیا چل رہا ہے ... "مداخلت"]

प्रो॰ विजय कुमार मल्होत्रा: मैं दोबारा कह रहा हूं कि वहां पर दुनियां की कोई भी ताकत मस्जिद नहीं बना सकती। ...(व्यवधान)...

श्री मोहम्मद अफजल उर्फ मीम अफज़ल: मैडम्, वह फिर वही कह रहे हैं। *(Interruptions)*...

†[شری محمد افضل عرف م - افضل: میڈم - یہ پھر وہی کہہ رہے ہیں -]

THE DEPUTY CHAIRMAN: Nothing is going on record. Anyone who speaks without my permission will not go on record. ...*(Interruptions)*...

SHRI K. R. MALKANI (Delhi): If he did not have your permission, then anything he said should be deleted ...*(Interruptions)*...

†[ ] Transliteration in Arabic Script.
**Not recorded.

SHRIMATI SARALA MAHESHWARI:**

SHRI MOHAMMED AFZAL *alias* MEEM AFZAL:**

PROF. VIJAY KUMAR MALHOTRA:**

THE DEPUTY CHAIRMAN: Please, Saralaji can you just keep quiet? If you cannot, then please go out of the House. Anybody who wants to discuss this matter can do it in the Lobby because I have some listed business. I have made my comments that the Government has heard what Mr. Afzal has said. Let the Government come forward with what it has to say. Before that, if any Member wants to clash on it, that is beside the point. You are not going to gain anything. You are going to waste the time of the House. I am not going to allow any unpleasant remark to go on the record. I am quite sure that neither Malhotraji nor Mr. Afzal wants that such unhappy comments be made nor does any one of you want it. You will go out into the lobby and become friends and start talking to each other. Why do you create such a scene in the House? Making such unpleasant remarks about each other is not good... (*Interruptions*)... Mr. Vayalar Ravi... (*Interruptions*)...

SHRI VAYALAR RAVI (Kerala): As the hon. Members from the opposite side are very eager to take up the Calling Attention Motion, I will raise my point of order later.

THE DEPUTY CHAIRMAN: Is it very important?

SHRI VAYALAR RAVI: Yes, Madam.

THE DEPUTY CHAIRMAN: You can raise it later because we have already taken a lot of time. Finally, Mr. Gurudas Das Gupta.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Steep fall in the value of Rupee against Dollar and its impact on country's economy

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, I beg to call

the attention of the Minister of Finance to the steep fall in the value of rupee against dollar and its impact on the country's economy.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Madam Deputy Chairman, in recent weeks there has been concern at the movement in the exchange rate of the rupee. After a prolonged period of stability between March 1993 and July 1995, the exchange rate of the rupee against the US dollar depreciated by 10% between end-July 1995 and November 29, 1995. I would like to put these matters in a proper perspective.

All over the world, countries have shifted away from the older system of maintaining fixed exchange rates to more flexible systems in which the exchange rate is not rigidly fixed but moves from day to day reflecting market conditions, subject to interventions by the central monetary authority to maintain orderly market conditions. India moved to this system in March 1993, when the earlier dual exchange rate regime was unified into a single, market-determined exchange rate system. Under this system there is no officially fixed exchange rate of the rupee. Instead, the rate is determined by demand and supply conditions in the foreign exchange market, while the Reserve Bank of India stands ready to intervene to maintain orderly market conditions and to curb excessive speculation.

Despite the shift to a market-determined system, the rupee-dollar rate remained steady at about Rs. 31.5 for over two years after March 1993 until July 1995. This happened mainly because there was a large inflow of foreign portfolio investment in 1993 and most of 1994. If the rupee had been left to be determined solely by the market supply and demand for foreign exchange in this period, it would, have appreciated sharply against the dollar. This would have hurt exports and encouraged imports. It was therefore decided to prevent appreciation and the Reserve Bank of India intervened by buying dollars in the market. Between end March 1993 and December 1994, $13 billion were added to the country's foreign currency reserves because of this process.

Towards the end of 1994, the inflow of portfolio investment slowed down considerably, and the upward pressure on the rupee from this source was eliminated. The economy also picked up strongly in 1994-95, with industry growing at 8% a strong revival of investment, and an overall GDP growth of 6.2%. It was expected that the revival of the economy would generate a larger demand for imports and the balance of payments deficit on current account would widen. This is exactly what happened. The current account deficit increased from the abnormally low level of 0.1% of GDP in 1993-94 to 0.7% of GDP in 1994-95. It is expected to increase further to about 1.5% of GDP in 1995-96. This is a normal level of current account deficit in our circumstances, and is sustainable by medium and long term capital flows.

The reduction in capital inflows and the widening of the current account deficit ended the earlier period of surplus dollar availability. Against this background, the operation of normal supply and demand conditions in the foreign exchange markets gave rise to expectations of a depreciation of the exchange rate. The exchange rate behaviour in recent months was a response to these expectations, though the extent of fluctuations was accentuated by speculative factors. I would like to emphasise that despite the uncertainty created by fluctuations in the exchange rate, the overall direction of the movement of the exchange rate is consistent with the longer term objective of a viable balance of payments based on strong competitiveness of our exports.

One of the fundamental factors which undoubtedly influenced the movement in the exchange rate after the middle of 1995 was the fact that during the prolonged period of stability of the rupee-dollar rate from March 1993 to July 1995, our competitiveness in international markets was significantly eroded by our rate of inflation being higher than the rates of inflation in our major trading partners. As a result, the index of the real effective exchange rate, which is obtained by adjusting the index of nominal effective exchange rate (using a basket of major currencies) by the differential rates of inflation (in India as

compared to these major currencies) showed an appreciation of India's exchange rate in real terms in the order of 7% between 1993-94 and August 1995. This led to some erosion of India's competitiveness. Had it continued, it would have adversely affected exports, the foreign trade balance and the overall balance of payments.

The market-triggered adjustment in the exchange rate which occurred after August 1995 led to an exchange rate which at present levels brings the real effective exchanges rate of the rupee back to approximately the same level as for 1993-94. In other words, the recent change in the exchange rate has corrected the erosion in competitiveness and will help ensure that export growth remains strong and import growth is contained. Both factors will help to contain the trade deficit to manageable levels.

I would like to say a few words on the role of the Reserve Bank during the recent period of exchange rate volatility. As I have mentioned, the role of the central monetary authority in modern exchange markets is to ensure orderly market conditions and to counter undue speculation. From April 1993 to October 1994 the Reserve Bank of India intervened to prevent undue appreciation of the rupee. Thereafter purchases by the Reserve Bank were small. Initially, the normal forces of demand and supply ensured that the rupee dollar rate remained stable despite the tapering off of purchases by the Reserved Bank. However, these very factors subsequently led to pressure on the exchange rate, leading to depreciation of the rupee. Initially, the downward movement in the rupee did not warrant any intervention by the Reserve Bank in view of the need to correct the real appreciation that had taken place since 1993-94. However, as often happens when the rate changes after a long period of stability, the change in the exchange rate triggered some speculative factors which, [illegible] have caused excessive depreciation. Therefore, the Reserve Bank intervened decisively when the exchange rate of the rupee reached Rs. 35.8 per US dollar in late October 1995, As a result the rupee bounced back and has remained stable since then between Rs. 34.5 and Rs. 35 per US dollar.

The Reserve Bank will continue to monitor exchange market developments and intervene as necessary to ensure that market fluctuations are contained within reasonable levels and are consistent with economic fundamentals. However, we must recognise that the world has moved away from fixed exchange rates and we should expect the exchange rate to vary in response to economic fundamentals. The real economy of the country, judging by the growth of national income, agricultural and industrial production, employment and exports, remains strong and resilient.

THE DEPUTY CHAIRMAN: Yes, Mr. Gurudas Das Gupta. Fifteen minutes.

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, I am really surprised by the academic explanation given by the hon. Minister of Finance. The slide in the external value of money or a triggered-off devaluation, which you may call it, is not an academic problem. It is a problem vitally connected with economy, with growth, with employment and with the future of the country. The hon. Minister says that there was undue appreciation of the value of rupee and, therefore, there has been a market adjustment, the market-triggered adjustment in exchange rate which occurred after August 1995. He calls it market triggered adjustment in the exchange rate. But the main point is let the hon. Minister tell the House what the impact of this constant slide in the external value of rupee is. Madam, Indian currency, if we look at the exchange rate — the hon. Minister has not given the exchange rate for the last several years; I have it with

me — had never been strong, but ever since July, 1991, there has been a slide, there has been a slide from July, 1991. I will look into the figures later on. The main question, therefore, is that the perceptible slide that is taking place from 31st March, 1995, is it an event of insignificance which can be overlooked or does it display the weakness of the Indian currency as revealed ever since 31st March, 1995. Is it just a market adjustment? The fundamental question is whether it is just a market adjustment to correct an aberration which is overdue having little or no significance on the economy or is this a dangerous development the country has to take with alarm and has it an impact on the economic development of the country? Madam, if it was only instability in the exchange rate, there would not have been so much cause for alarm. There is a change in the wrong direction in the economic fundamentals of the country. Taking it in the background of the change for economic fundamentals of the country, there is a cause for alarm. Therefore, I feel apprehensive and I think it to be a danger signal for a crisis either that has already set in or that is likely to set in. At least one point is very clear, that the reform programme initiated by the hon. Minister for Finance has not been rewarding. On 31st March, 1995, the rupee price of a dollar was 31.49, — I have not got it for todays on the last day of the last week it was 35.50. Therefore, the stability has been found around 35 plus. When the reform was initiated, the exchange rate was around Rs. 27. On 14th September, 1992, on a single day at least, the rate of a dollar was Rs. 25. Therefore, within a span of a little more than two years the decline has been by Rs. 10 and in terms of percentage it is not less than 40. Madam, there had been devaluations — two successive devaluations in 1991-92, but that was a period of declared devaluations. Now we have entered into a phase of undeclared devaluation. The hon. Minister has not told the Parliament about the impact of this side in the exchange rate. According to me, if one additional rupee is spent for a dollar, the annual outgo of funds for the country, if the exchange rate persists like that, is 600 crores and there has been a decline by rupees for plus. Therefore, the additional liability that the country will have to shoulder is not less than 2,500 crores. Can India afforded to bear this additional responsibility?

Madam, the Indian economy according to him, has been strong, vibrant and healthy. This slide, in my opinion, is an undeclared devaluation. Some people would say that it is at the dictates of the World Bank and it is for the hon. Minister to clarify. But, to me, it is because certain economic fundamentals have gone wrong. They are, number one, uncontrolled inflation; number two, rapid rise in trade deficit; number three, sharp increase in demand for dollar for financing additional import — I would call it 'import spree' — and to meet additional international liability arising out of our unsustainable foreign loan. To be a little more precise, Madam, it is the reckless import which has been encouraged and it can be considered to be an important factor; nextly, irresponsible spending. May I submit, Madam, that the irresponsible political leadership which rules the country has hijacked the economic policy. It is some sort of a pre-election spending spree. Madam, along with it, we have to look at the inconceivable and unmanageable foreign loan and chaos and anarchy of a totally unguarded liberalisation. The other factors are — unlimited internal borrowing and total abuse of cash credit limit. Madam, nowhere in the world is there a system which is known as cash credit ratio. Banks advance loan and the borrower takes that loan at one go. In India, there is a limit. The banks go on sanctioning the limit and it is for the corporate houses to decide when to avail of that limit. Therefore, when we have a slide in the external value of money, there is also a serious liquidity crunch

in the country leading to, at one point of time, 120% interest rate charged in the call money market. That was the period when the market was made dry; that was the period when corporate houses were taking advantage of cash credit system.

Madam, the point is that the Minister speaks of growth....

SHRI SATISH AGARWAL (Rajasthan): Call money rate touched not 120% but 135%!

SHRI GURUDAS DAS GUPTA: I stand corrected. Madam, the hon. Minister speaks of growth. To me, Madam, it is a highly selective growth. The highly selective growth has not been able to touch the quality of human life of the country. The growth must be analysed in terms of basic human problems. If we look at the quality of human life of the country it is clear that the growth pattern had been highly selective. Madam, the constant decline in the external value of currency takes the nation closer to the crucial question of growing maladjustment and imbalance within the economy. I regret, Madam, the hon. Minister of Finance refuses to look at the realities. I understand that the exchange rate is being determined by market forces. But what are the factors that influence the market forces? Why is it that we have not been able to influence the market forces so that the decline in the external value of the currency does not take place so rapidly within such a short space of time—a few months? Madam, even the present rate is artificial. If the hon. Minister speaks of market rate, the present rate is artificial because the Reserve Bank of India had intervened in the market up to a certain point to ensure that it does not decline below Rs. 35 plus. Therefore, it is largely an artificial exchange rate and it is because of partial and belated intervention of the Reserve Bank of India.

Madam, we at a particular point of time had spoken of devaluation. Now we have entered a phase of an undeclared devaluation. The rupee was made convertible by the hon. Minister having a false sense of security and strength of the economy. While speaking on the question of convertibility, the Minister took pains to explain that he wanted one exchange rate to prevail. Madam, there is not one single exchange rate in the country. *Hawala* market has come into existence once again. While the market-determined rate is 35 plus, the *hawala* rate at the closing of last week was about Rs.40/- *Hawala* rate arises out of illegal siphoning off of funds out of India. There is an outflow of funds. People believe that the money should be taken out of India through *hawala* and converted into dollars. They anticipate a further fall in the price of rupee and when there is a futher decline, that money will come to India as an investment from outside by taking advantage of the *hawala* market, by taking advantage of the fragile condition of the Indian economy and by taking advantage of the existence of a second market — one is open market and the other is the semi-open market, *i.e., hawala* market. Madam, the situation appears to me to be grave and beyond the comprehension of the hon. Minister. Let me look at some of the fundamentals. The hon. Minister is fond of statistics. There is also another side of statistics I would like to quote the comparative figures of five months, from April to August, of three years to show how the trade deficit increased. In 1993-94, the gap was only 250 million dollars; in 1994-95, it was 798 million dollars; and in 1995-96, it was 1976 million dollars. Alarming is the rise in the trade deficit. In 1996-96, from April to August, for five months, the import increased by 37 per cent and export increased by only 27 per cent. Therefore, the Government can be accused of indulging in import of Mercedes Benz for the comfort of the fat-income people of the country at the cost of the national exchequer. In 1992, the fiscal deficit was Rs. 36,325 crores. In 1995-96, it is estimated that the fiscal

deficit will rise to Rs. 68,484 crores. In 1991-92, the revenue deficit was Rs. 16,261 crores. In 1995-96 the revenue deficit has climbed to Rs. 35,541 crores. We are incurring foreign loan to meet our current expenditure like Bangladesh. We are having our foreign debts. We are taking money from outside to pay for our current bill and that is where really the crux of the crisis lies and that is where the crux of the alarming rise lies. Madam, budget deficit is a story in itself. The budget deficit was around Rs. 19,000 crores while the estimated budget deficit was Rs. 5,000 crores. Inflation, quality of human life, condition of Indian production, and inflation differential, they are the main factors for the decline of external value of money. The inflation in India is double digit inflation and in the advanced capitalist countries, it is around three to four per cent. If the inflation differential cannot be controlled, then the external value of money also cannot be controlled, and that is where the Government has failed miserably all these days. (Time Bell) On an average....

THE DEPUTY CHAIRMAN: Mr. Gurudas Das Gupta, I am ringing the bell to tell you that you have three minutes more because we have to devalue your time also..... *(Interruptions)*...The time of the Houses was reduced with the help of the Members.

SHRI GURUDAS DAS GUPTA: Madam, I know that... *(Interruptions)*... It is an important issue and it cannot just be explained in a few words and the hon. Minister of Finance has been an economist himself. Therefore, to nail him down, it is necessary for you to kindly give me some little time.

THE DEPUTY CHAIRMAN: If you cannot explain it in fifteen minutes, it will reflect on your efficiency which I am sure you don't want.

SHRI GURUDAS DAS GUPTA: Madam, the average inflation in 1994-95 was 10.9 per cent as compared to 8.3 per cent in the previous year. The annual average rate of inflation in the first five years when Dr. Manmohan Singh became the honoured Finance Minister - he is already honorary Finance Minister because he does not take his salary - is 10.6 per cent as compared to 8 per cent in the 80s. Therefore, the rule of the present Government is the rule of failure so far as inflation, the basic economic condition of revival is concerned. The net market borrowing is Rs. 27,000 crores. Are we leading ourselves to insolvency? If we add foreign loan along with internal loan along with the market borrowing, can I ask the hon. Minister, are you leading the country to a situation of insolvency? Madam, I feel ashamed that India is in the company of yeltsin's Russia, India is in the company of Argentina, India is in the company of a few States where external value of money is sharply declining. I differentiate between Soviet Union and Yeltsin's Russia. *(Interruptions)*

SHRI V. NARAYANASAMY (Pondicherry): They are borrowing your policy.

SHRI GURUDAS DAS GUPTA: Don't be so jealous. We will change it. Madam, we are not discussing Yeltsin. We are discussing Dr. Manmohan Singh. Madam, the market borrowing has been Rs. 27,000 crores net, the gross is Rs. 41,000 crores and the net rate of interest is 14 per cent. The internal loan has reached an astronomical figure of Rs. 4,80,000 crores, almost 5 lakhs. Foreign debt is in everybody's knowledge. Foreign debt stood at ninety five billion dollars in March 1995. But what is the repayment? The repayment programme for 1994-95 is 10.8 billion dollars, in 1995-96 it is 12.3 billion dollars, in 1996-97, it is 14.5 billion dollars. Do you have that much surplus to pay for the huge foreign loan, and the internal borrowing that we have made? Madam, there is another picture. Unproductive Government

expenditure between 1991-95 under the leadership of Dr. Manmohan Singh has increased by 80 per cent. Actual spending on development shows no improvement if 10 per cent inflation is taken into consideration.

THE DEPUTY CHAIRMAN: Does he spend any money? The other departments do.

SHRI GURUDAS DAS GUPTA: No, no; after all, he is in charge of the treasury. He has gone for it. I am sure Dr. Manmohan Singh does not want to give a penny to anybody. He has been given freedom.

SHRI SURINDER KUMAR SINGLA (Punjab): I am a person who normally asks for payment. But those employees who never work, I do not know what kind of politics this is.

SHRI GURUDAS DAS GUPTA: Madam, this is the way, Madam, this is the way.....*(Interruptions)*...

THE DEPUTY CHAIRMAN: Now, let us not derail.

SHRI DIPANKAR MUKHERJEE (West Bengal): Madam, I take objection to this. To say this is one class who do not work and they are being paid. Is it fair? This is absolutely uncalled for. This is an uncalled for comment. Who pays for the additional 20 Ministers? *(Interruptions)*

THE DEPUTY CHAIRMAN: Now, please sit down. Please don't get agitated. *(Interruptions)*

1.00 P.M.

Let us not derail the discussion. Please sit down. *(Interruptions)*

SHRI GURUDAS DAS GUPTA: unfortunately, such an important subject--the economic situation--involving the future of the nation is being sidetracked, I should say, in a most irresponsible way. I spoke of the unproductive Government expenditure. What about the Ministers who do not work?

We are for work culture. The Indian working class does not want to live a beggars. The Indian working class woul like to contribute to the nation development and national growth.

SHRI SURINDER KUMAI SINGLA: The whole philosophy of th Marxists... *(Interruptions)*...

SHRI NILOTPAL BASU: What is h saying, Madam? *(Interruptions)*

SHRI SURINDER KUMAI SINGLA: I am on a poin ...*(Interruptions)*

THE DEPUTY CHAIRMAN: I wi allow you. *(Interruptions)*...

SHRI SURINDER KUMAI SINGLA: My charge is that the whol philosophy of the Marxists has made th working class to live as beggars *(Interruptions)*

THE DEPUTY CHAIRMAN: Mr Singla, please sit down. I will allow you *(Interruptions)*

SHRI NILOTPAL BASU: Madam, th Government has gone on record that the are unable to pay the statutory bonus an other things to its employees in the publi sector. The Government has gone o record. *(Interruptions)*

SHRI GURUDAS DAS GUPTA: Le me point out. *(Interruptions)*...

THE DEPUTY CHAIRMAN: Mr Singla, I have your name. But please. Le us look at the clock. I have to adjour the House for lunch. I will take the sens of the House whether we should adjour for lunch now.

SHRI GURUDAS DAS GUPTA: Le me finish, Madam.

THE DEPUTY CHAIRMAN: It i one past one. Let me take the sense o the House. I think we can have, at least half-an-hour adjournment.

SHRI JAGDISH PRASAD MATHUF (Uttar Pradesh): Forego the lunch recess

THE DEPUTY CHAIRMAN: It i okay for the Members. They can go out

have lunch and come back. They can walk into, and out of the House anytime. But do you expect the Minister to sit here all the time and take notes? You should have some consideration.

SHRI SATISH AGARWAL: Let us have lunch recess.

SHRI GURUDAS DAS GUPTA: Let us adjourn for lunch, Madam.

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): Let Mr. Gurudas Das Gupta complete his speech.

THE DEPUTY CHAIRMAN: Let him finish in one minute and then we will adjourn for lunch.

SHRI GURUDAS DAS GUPTA: Madam, may I point out that the Indian working class would not like to live as beggars? They would like to contribute to the national growth and also claim their legitimate share of the national wealth being produced. Therefore, let us not digress the issue.

Let me point out that the effective rate of corporate tax in India, today, is only 19 per cent. Then, what about the unpaid taxes of the zero-tax companies? One of the reasons for the budgetary deficit is lack of revenue. Let me point out. The corporate tax is only 19 per cent. The total unpaid taxes of the zero tax companies has run into Rs. 9,000 crores.

Look at the capital market. What is the position? What has happened between February and September, 1995? In February, 1995, the number of new issues had been 152. In September, 1995, there had been only 77 new issues. In February, 1995, the realisation from the new issues had been Rs. 5,420 crores, whereas, in September, 1995, it came down to just Rs. 275 crores. Even then, the hon. Minister is satisfied that we are having a reasonable growth! This is the condition of the private sector.

The secondary market is depressing. Every-body would agree. I have the latest figure. The fall in the market capitalisation is by Rs. 1,29,389 crores, representing a national loss to the small investors. That is not the point. The point is, the capital market is not developing. The capital market is in a crisis. Even then, the Minister is satisfied with the growth!

Madam, the inflow of foreign funds has gone down. The foreign exchange reserves have gone down. There is another aspect which the hon. Minister should know. The deposits in the nationalised banks on the last day of the last financial year were Rs. 3,85,000 crores. Since then, There has not been a single paise added to the deposits in the nationalised banks. What does it mean? It means, less amount of bank loans is available to trade and industry. On the other hand, there is a tremendous increase in the deposits of private financial institutions. There is nobody to take care of them. Another scam is in the offing in the private financial institutions.

Madam, gross capital formation has gone down. Gross capital formation in agriculture has declined from 2.4 per cent of the GDP in 1990-91 to 1.99 per cent in 1993-94. Employment has gone down. I wish the hon. Minister tells Parliament how and when he has been able to find out that employment is on the rise. Employment has fallen down in the country. The quality of human life has not improved.

THE DEPUTY CHAIRMAN: Now, Mr. Das Gupta....

SHRI GURUDAS DAS GUPTA: I am just concluding. Only two minutes.

THE DEPUTY CHAIRMAN: No. There are other Members also. your neighbours are there.

SHRI GURUDAS DAS GUPTA: My information is, according to some statistics, poverty is accentuated in the whole of the country. It is around 40 per cent in the rural as well as urban areas. Therefore, where is the sign of improvement of the economy? The hon.

Finance Minister himself, while on a visit to Washington, has declared that by the turn of the decade 30 per cent of the employment in the Government and the public sector will be reduced. The whole Government line is jobless economic development and it is one of development for a limited few only: "Let there be poverty and anti-poverty programmes! Let there be sanctions for anti-poverty programmes before elections!" The Hon. Minister has no funds to implement the report of the National Commission on Rural Labour.

THE DEPUTY CHAIRMAN: Now, we have to adjourn for lunch.

SHRI M.A. BABY (Kerala) Madam, some employment is generated by Narasimha Raoji by appointing some more Ministers! That is the only area.

THE DEPUTY CHAIRMAN: Now let me adjourn the House.

SHRI GURUDAS DAS GUPTA: Madam, I need only two minutes to conclude.

THE DEPUTY CHAIRMAN: You have taken enough time.

SHRI GURUDAS DAS GUPTA: I know.

THE DEPUTY CHAIRMAN: The one who initiates the debate gets only 15 minutes. If you can't complete within 15 minutes, I can't help.

SHRI GURUDAS DAS GUPTA: Madam, I do not want to use strong words for the hon. Finance Minister. The country is being misled. Therefore, I would say that this devaluation, undeclared or whatever it is, is the climax and culmination of the policies that this Government has been continuing. It is necessary that the Government review this policy and take stronger steps immediately to curb imports.

I demand a curb on imports, I demand that the oil bill should not be increased. I demand, let there be domestic austerity; I demand, let there be immediate control of inflation on a war-footing. I want the zero tax programme of the Government to be reviewed; I want income tax to be levied on agricultural income--the affluent section of agriculture should be taxed. I want employment-based economic growth. I believe this is the policy by which the country can be brought back on the rails.

THE DEPUTY CHAIRMAN: Now we will adjourn for lunch.

SHRI GURUDAS DAS GUPTA: Madam...

THE DEPUTY CHAIRMAN: Just one minute, please. Do not interrupt when the Chair is speaking, please. I think we will adjourn till 2 o'clock, and from 2'o clock, half an hour more or 45 minutes at the most, we can take for this.

Also I have to make this announcement: The debate on Jammu & Kashmir took place a couple of days ago but there was no reply to the debate. The Home Minister has to come to the House and reply to that. So, if the House reassembles at 2 o'clock, at 3 o'clock the Home Minister will reply. So, by 3 o'clock please finish the Calling-Attention.

The House is adjourned till 2 o'clock.

The House then adjourned for lunch at nine minutes past one of the clock.

The House re-assembled after lunch at six minutes past two of the clock, **The Vice-Chairman (Shri V. Narayanasamy)** in the Chair.

THE VICE CHAIRMAN (Shri V. Narayanasamy): We now continue with the Calling Attention. Dr. Murli Manohar Joshi.

डा० मुरली मनोहर जोशी (उत्तर प्रदेश): धन्यवाद, उपाध्यक्ष जी। महोदय, यह एक बहुत ही महत्वपूर्ण प्रश्न है, जिसकी ओर मैं माननीय मंत्री जी का और उनके माध्यम से सरकार का और देशवासियों का ध्यान आकृष्ट करना चाहता हूं पहली बार 25 अगस्त, 1995 को डालर का भाव 32.82 रुपए था, जो 2 सितंबर को 32.6 रुपए हुआ। रुपए की कीमत में यह करीब 0.75 परसेंट की गिरावट थी। इस पर देशवासियों ने गौर नहीं किया। जब 15 सितंबर को डालर का मूल्य बढ़कर 33.37 रुपए हो गया, रुपए के मूल्य की गिरावट दो हफ्ते में

4.08 परसेंट की हुई तो कुछ लोग चौके, मुझे पता नहीं उसके बाद भी सरकार चौकी या नहीं, लेकिन लोगों में कुछ चिंता जाग्रत हुई कि ऐसा क्यों हो रहा है। पिछले डेढ़ दो साल में भारत के रिजर्व बैंक ने रुपए के मूल्य को स्थिर रखने की चेष्टा की थी और 31.37 प्रति डालर के हिसाब से रुपया लगभग स्थिर रखा हुआ था। सितंबर के आखिर तक यह भाव स्थिर रहा, लेकिन 16 अक्तूबर को डालर का मूल्य 34.67 रुपए हो गया और 26 अक्तूबर को यह बंद हुआ था 35.90 पर, लेकिन उससे पहले 38.00 रुपए तक पहुंच गया था। यह जो गिरावट आई, यह स्वाधीन भारत के इतिहास में ऐसी गिरावट, ऐसी विस्फोटक गिरावट कभी नहीं आई।

महोदय, रुपए का अवमूल्यन पहले भी हुआ, लेकिन वह एक ऐसी कथा है, जिसको सुनने के बाद और पढ़ने के बाद यह पता लगेगा कि रुपए के मूल्य में यह गिरावट इन सुधारों के समय, सुधारों के चार वर्ष में सबसे अधिक हुई है। सन 1951 में डालर का मूल्य 4.8 रुपए था, 1966 में पहली बार अवमूल्यन हुआ तब डालर का मूल्य 7.5 रुपए हुआ और यह 57.5 परसेंट अवमूल्यन था। सन 1980 तक डालर का भाव लगभग स्थिर रहा और 1980 में 7.9 रुपए का एक डालर मिलता था, लेकिन 1990 के अंदर, दस साल के अंदर डालर का दाम 17.9 रुपए हुआ । यह एक तरह से 126.5 परसेंट का अवमूल्यन था। सन 1991 में 25.9 रुपए, 1993 में 31.4 रुपए और 1995 में 34.5 रुपए, यानि इन चार वर्षों के अंदर रुपए के मूल्य में शत-प्रतिशत गिरावट आई है। सन 1951 से लेकर 1990 तक केवल 13 रुपए का फर्क था, लेकिन 1990 से लेकर 1995 तक 18 रुपए का फर्क हो गया। ....(व्यवधान).... अब यह सुधार हुआ या उधार हुआ, इसका तो जवाब वित्त मंत्री जी देंगे। मेरे ख्याल से तो उधार बढ़ा और इसीलिए यह सुधार की निगेटिव दिशा हुई, ऋणात्मक दिशा हुई।

महोदय, अब सवाल यह उठता है कि यह जो परिस्थिति है, इसका परिणाम क्या होगा और इस परिस्थिति का मुख्य कारण क्या है? अभी तक तो यह बताया जा रहा है कि देखो, हमारा एक्सपोर्ट बढ़ेगा। अगर हम अवमूल्यन करते हैं तो एक्सपोर्ट बढ़ेगा। वित्त मंत्री जी ने अपने बयान में यह कहा है कि इससे एक्सपोर्ट बढ़ेगा, लेकिन आज तक जितनी बार भी अवमूल्यन हुए है, मैं उसके सारे आंकड़े दोहराना नहीं चाहता, लेकिन जब पहले अवमूल्यन किया गया था तो उस समय भी हमें यही सलाह दी गई थी, देश को यह सलाह दी गई थी कि इससे आपका निर्यात बढ़ेगा और आयात घटेगा, लेकिन हुआ उल्टा। उस समय भी हमारा निर्यात नहीं बढ़ा, आयात बढ़ा। उस समय भी यही हुआ और आज भी यही हो रहा है। क्योंकि हम देख रहे हैं कि आपका व्यापार घाटा अप्रैल, 1994 में 123 करोड़ से अगस्त, 1995 में 120 करोड़ हो गया तो आपका जो बेलेन्स आफ ट्रेड है वह तो बिगड़ता ही जा रहा है। और साथ ही साथ आपके जो निवेश है, विदेशी संस्थागत निवेश, वे घटते जा रहे हैं। आपके यूरो ईश्यूज़ की भी आमद बंद हो गई और इसलिए विदेशी मुद्रा का आना कम हो गया। आपने स्वयं स्वीकार किया है कि इस देश में विदेशी मुद्रा का आना कम हुआ और इस तरह से आपके जो भंडार बढ़ रहे थे, उसमें भी कमी आई। फिर आपने यह भी फैसला किया कि आप अपने ऋणों का भुगतान, बजाए इसके कि आप सामान्य अपने रिज़र्व से करें, आप बाजार के लेन-देन से करेंगे, यह भी आपने फैसला किया। तो इन सब बातों से आपने अवमूल्यन के लिए तो सारे रास्ते तैयार कर ही दिए थे, इसके बाद अवमूल्यन न होता तो मुझे आश्चर्य होता। आप मुद्रा विस्तार करते चले जा रहे हैं, आपने वायदा किया था कि आप मुद्रा विस्तार पर अंकुश लगाएंगे। सच बात तो यह है कि पहली बार ही आपने, जब यह नई सरकार बनी थी, यह वायदा किया था कि आप एक साल पुरानी कीमतों पर रोल बैक करेंगे और आप पुरानी कीमतों तक पहुंचेगे लेकिन वहां तक आप पहुंचे नहीं और औसतन आप 10 प्रतिशत की रफ्तार से और अब तो 10 प्रतिशत से भी अधिक रफ्तार हो गई है, इस देश में आप मुद्रा विस्तार करते रहे हैं। तो इसलिए यह जो आज सारी परिस्थिति पैदा हुई है, इस परिस्थिति के लिए आपकी आर्थिक नीतियां और आर्थिक नीतियों के संचालन की दिशा जिम्मेदार है। इस दिशा को जब तक आप बदलेंगे नहीं, तब तक इस देश का भला नहीं होने वाला है। आपके इस अवमूल्यन से सीधा परिणाम हमारे देश के उद्योगपतियों पर, उद्यमियों पर तो पड़ेगा ही लेकिन उसका एक सीधा असर इस देश के आम आदमी पर भी पड़ेगा। गरीब उपभोक्ता इस अवमूल्यन के कारण से भयंकर महंगाई का शिकार है और उसके लिए जीवन दूभर है। आपके आयात और अधिक महंगे होंगे। आपने कहा है कि आप आयात के ऊपर कुछ अंकुश लागएंगे अवमूल्यन करके क्योंकि वे महंगे हो जाएंगे, लेकिन मैं आपसे यह जानना चाहता हूं कि क्या आपका आयात लचीला है, क्या उसमें इलेस्टिसिटी है, क्या आप उसे घटाने की स्थिति में है? क्योंकि जिन क्षेत्रों में आपका आयात है, उनमें अप्रैल-जुलाई, 1994 की

तुलना में इस वर्ष भारी उद्योगों में 68 प्रतिशत आपका आयात बढ़ गया है। अप्रैल-जुलाई, 1994 और अप्रैल-जुलाई, 1995 के बीच में आपका आयात भारी उद्योगों में, केपिटल गुड्स में, 68 प्रतिशत बढ़ा, रसायन के क्षेत्र में 54 प्रतिशत बढ़ा, लोहे और फौलाद के क्षेत्र में 46 प्रतिशत बढ़ा। ये सब ऐसे क्षेत्र हैं जिनमें आप आयात कम नहीं कर सकते। अगर आप आयात की कमी करेंगे तो आपके और बाकी उद्योगों पर इसका प्रभाव पड़ेगा और अगर इनका आयात महंगा होगा तो यह एक तरह से फिर महंगाई को और आगे बढ़ाएंगे क्योंकि यही सब मूल वस्तुएं हैं जो इस देश के निर्माण के कार्यों में जाएंगी। इसके अलावा आज तो आपने अपने पैट्रोलियम प्रोडक्टस का बिल नहीं बढ़ाया है लेकिन आप बजट से पहले किसी भी समय उस बिल को बढ़ा देंगे, कीमतें बढ़ा देंगे क्योंकि यह असंभव होगा कि आप भारी कीमतों पर आयात करें पैट्रोलियम प्रोडक्टस का और सस्ते दामों पर बेचें, यह तो आप करेंगे नहीं और इसलिए आपको वह दाम भी बढ़ाने पड़ेंगे और जैसे ही आप पैट्रोलियम प्रोडक्टस के दाम बढ़ाएंगे, वैसे ही सारे यातायात के भाड़े में वृद्धि होगी, ट्रांसपोर्ट के चार्जिज़ में वृद्धि होगी, रेलों के भाड़े में वृद्धि होगी, फ्रेट्स में वृद्धि होगी, बसों के भाड़े में वृद्धि होगी, उनके अपने रेज़मर्ग के स्कूटरों के बिल में वृद्धि होगी और आप देखेंगे कि इस तरह से महंगाई का एक बहुत बड़ा असर आम आदमी के जीवन पर पड़ेगा। जैसे ही ट्रांसपोर्ट चार्जिज़ बढ़ेंगे, पेट्रोलियम प्रोडक्टस के दाम बढ़ेंगे, वैसे ही खुदरा चीजों के दाम बढ़ते चले जाएंगे और कंज्यूमर प्राइस इंडेक्स आसमान की तरफ बढ़ने लग जाएगा। जब यह होता है और रुपया अस्थिर होता है तो उस समय सबसे जरूरी बात....(व्यवधान).....

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Joshiji, kindly put your questions because it is Calling Attention motion.

DR. MURLI MANOHAR JOSHI: yes, I am raising all these questions.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): You kindly put your questions because the time is very short.

DR. MURLI MANOHAR JOSHI: Yes. Don't interrupt me regarding the time. Anyway, it is a very important subject.

तो इसमें दूसरी बात यह होगी कि जब आपका रुपया अस्थिर हो जाता है तो विदेशी निवेश तो कम होते ही हैं, सामान्य निवेशक भी बाजार में जाने से हिचकिचाता है और इसलिए पूंजी का निर्माण होने में बड़ी कठिनाई होने लग जाती है और उद्योगों के लिए पूंजी का अभाव पैदा हो जाता है। आपने स्वयं यह पूंजी का अभाव पैदा किया है इसलिए कि जब आप डॉलर बेचते हैं तो एक तरह से आप पैसा खींच लेते हैं बाजार से, तो उससे केपिटल क्रंच होता है, पूंजी के ऊपर बोझ पड़ता है। पिछली बार बैंकों के पास डॉलर आया सस्ते दाम पर, रिज़र्व बैंक ने डॉलर खरीदा महंगे दाम पर और 5,000 करोड़ से अधिक आपने रुपया बाजार में फेंक दिया और नतीजा यह हुआ कि उससे महंगाई बढ़ी। इस साल आपके सामने कठिनाई आ रही है, आप कहते हैं कि पूंजी की दिक्कत आ रही है क्योंकि अब आपने पूंजी की दिशा बदल दी है। तो यह केपिटल क्रंच तो आप पैदा कर रहे हैं, यह आपकी नीतियों के कारण से हो रहा है और आज स्थिति यह हो गई है कि डिवेल्यूऐशन में एक पैसा प्रतिदिन के हिसाब से आपके रुपए की कीमत में घटोत्तरी आ रही है। और इसका नतीजा यह हुआ कि आपका कर्जा केवल 95 बिलियन डालर था वह एक तरह से 95 करोड़ प्रतिवर्ष के हिसाब से बढ़ रहा है। यानी लगभग-लगभग 34 हजार या साढ़े 34 हजार करोड़ रुपया प्रतिदिन कर्जे का बिना कर्जा लिए हुए बढ़ रहा है। इसका ब्याज तो आपको रुपयों में ही देना पड़ता है। आपको उतना ही ब्याज देने के लिए पहले से अधिक ज्यादा रुपए खर्च करने पड़ेंगे यानी आपको और अधिक अपनी आमदनी करनी पड़ेगी। मगर आपके सारे रेवेन्यू रिसीट्स का तो लगभग 90 प्रतिशत से भी अधिक सब ब्याज देने में ही चला रहा है। तो आप कितना रेवेन्यू रिसीट लाएंगे? शायद आपने सोचा होगा कि इंपोर्ट जब वहां से होगा उसके ऊपर कस्टम ड्यूटी लगा देंगे और इंपोर्ट महंगा होगा तो उससे कुछ आपको आमदनी हो जाएगी और उस कस्टम ड्यूटी से आप राजस्व प्राप्त कर लेंगे और उसको बेलेंस कर लेंगे। लेकिन यह भी होने वाला नहीं है। यदि यह भी हो सका तो मैं समझता कि शायद आपकी नीतियों का एक छोटा सा हिस्सा कहीं ठीक होगा। लेकिन मुझे नहीं दिखाई दे रहा कि यह आप कर सकेंगे। तो आप कैसे इस घाटे का और इस ब्याज की अदायगी का प्रबंध करेंगे? आपकी व्यवस्था ऐसी है कि अनडिस्चर्ज्ड एमाउंट आपके पास 1993-94 में लगभग साढ़े 18 बिलियन पड़ा था और यह भी रिपोर्ट है कि 90 परसेंट जो आपका कंसेशनल एड है उसको आप सिर्फ ब्याज चुकाने के अंदर खर्च कर रहे हैं। फिलहाल डेफिसिएट यो इस पर 7 प्रतिशत जी०डी०पी०

से आगे बढ़ सकता है यह आप ही के सहयोगी वित्त मंत्री ने... (व्यवधान)

SHRI MANMOHAN SINGH: He has denied it.

डा० मुरली मनोहर जोशी: हो सकता है, अगर वह डिनाई कर रहे हैं तो मुझे खुशी होगी। लेकिन मैं समझता हूं कि आप इसको रोक नहीं पाएंगे क्योंकि करंट एकाउंट डेफिसिट जितना आपने अपने बजट में अनुमानित किया था उससे दोगुना तो अभी भी हो चुका है और शायद तीन बिलियन डालर तक आप इस बार पहुंच जाएंगे। अगले साल आप 5 बिलियन डालर से कम पर रुकेंगे नहीं। आप मना तो कर देते हैं लेकिन जब बजट पेश करने आते हैं तो फिर आप वही आंकड़े रख देते हैं जो हम कहा करते हैं कि ऐसा होगा। इस समय आप जरूर मना करेंगे, मैं जनता हूं। लेकिन शायद मुझे पता नहीं कि अगली बार आपको बजट पेश करने का मौका मिलेगा या नहीं। लेकिन मैं आपसे निवेदन करना चाहता हूं कि...(व्यवधान)

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): When we present the next Budget, you will see the figures.

DR. MURLI MANOHAR JOSHI: Those figures will be the same as we are saying.

आपका घाटा 5 बिलियन डालर हो जाएगा करंट एकाउंट में अगले फाइनेंसियल ईयर में। आप देखिएगा कि इतना ही होगा अगर यह नीतियां इस तरह से चलती रहीं। तो सुधार की आपकी जो यह नीतियां रही हैं, सुधार की नीतियों से इस तरह से निरंतर अवमूल्यन हुआ है और उस अमूल्यन का सीधा परिणाम देश के औद्योगिकरण पर, देश के पूंजी निर्माण पर, देश में एम्पलायमेंट पर, और जैसा गुरूदास दासगुप्त जी ने कहा था—क्वालिटी आफ ह्यूमन लाइफ के ऊपर पड़ता है। मैं यह जानना चाहता हूं कि यह जो सवाल अवमूल्यन का आज हमारे सामने आ गया है इसमें आपने कारण यह बताया है कि हमारे देश में इनफ्लेशन है। यह इनफ्लेशन आप रोक नहीं सके और विश्व के इनफ्लेशन से हमारे इनफ्लेशन की दर में लगभग पांच प्रतिशत का फर्क है। और देशों का... (व्यवधान)

श्री दिग्विजय सिंह (बिहार): डबल है।

डा० मुरली मनोहर जोशी: पांच का फर्क हो गया। 5 उनका था 10 हमारा है। यह लगभग दोगुना है। तो एक तरह से यह पांच परसेंट की रफ्तार से हमेशा हमारा रुपया डि-वेल्यू करता ही रहेगा। इसको आप कैसे रोक पाएंगे? आपने महंगाई रोकने के लिए क्या व्यवस्था की है और अपने घाटे को कैसे नियंत्रित करेंगे? मैं तो यह देख रहा हूं कि घाटा हमारे देश में निरन्तर बढ़ता चला जा रहा है। यह जो घाटे की अर्थ-व्यवस्था है इसका भी एक हिसाब हमने लगाया। तो 1979-80 में आपका राजस्व घाटा 694 करोड़ रुपए था और 1994-95 में वह 32727 करोड़ हो गया। पब्लिक डेब्ट्स आपकी जी०डी०पी० का 87 परसेंट है। तो आप डेब्ट ट्रेप की तरफ जा रहे हैं, यह दुनिया की तमाम एजेंसीज कह रही हैं, जो इसका आर्थिक विश्लेषण करती हैं। वह बार-बार हमें सावधान कर रही हैं कि हम ऋण जाल में फंसते चले जा रहे हैं। यह अवमूल्यन हमें उस तरफ और ढकेल रहा है। हमारे इंटरनल बोरोइंग्स और एक्सटर्नल बोरोइंग्स की मात्रा जो 8 लाख करोड़ रुपयों के ऊपर बढ़ गई है उसके ऊपर दिए जाने वाला ब्याज आपके घाटे को और बढ़ा रहा है। तो हम यह जानना चाहते हैं कि आप इस सारे का प्रबंध कैसे करेंगे? यह तो देश के सामने भारी कठिनाइयां पैदा हो गई हैं। आज भी हिन्दुस्तान में पूरी आबादी के 40 प्रतिशत से ऊपर लोग पावर्टी लाईन के नीचे रहते हैं। इनको अनाज की उपलब्धता कम हो गई, इनकी क्रयशक्ति नहीं बढ़ी हुई है। उनकी इन चार सालों के अंदर क्रयशक्ति घटी है। जब तक इस देश के लोगों की क्रयशक्ति नहीं बढ़ेगी, इस देश का आंतरिक बाजार नहीं बढ़ेगा, इस देश की आमदनी नहीं बढ़ेगी, जी०डी०पी० का विस्तार कैसे होगा? क्या उधार लेकर के करेंगे? क्या आप हर चीज के अन्दर जो आपका बजट का घाटा है, उसको आप कैसे पूरा करेंगे। आप बार-बार विदेशों से उधार लेंगे, आप बचत करने की तरफ ख्याल नहीं कर रहे हैं। इस देश के सामान्य घरेलू व्यक्तियों की बचत पर आपने डाका डाला है कन्जूमरिज्म को बढ़ाकर, उपभोक्तावाद को बढ़ाकर आपने इस देश के आदमियों की जो बचत करने की प्रवृत्ति थी, डोमिस्टक सेविंग्स थीं उस को इरोड किया है, उसको कम किया है और सरकारी फिजूलखर्ची का तो मुझे कुछ कहना ही नहीं है उस पर तो आप अंकुश लगा ही नहीं सकते। इसलिए आज अवमूल्यन का जो सबसे भयंकर परिणाम हुआ है वह इस देश की अर्थ-व्यवस्था के ऋण के जाल की तरफ धकेलता चला जा रहा है। इस देश की सारी औद्योगिकीकरण और उद्योगों के जितने प्रयत्न थे, उनको आप कुंठित करते जा रहे हैं। मैं आपसे एक बात और जानना चाहता हूं, संविधान के

आर्टीकल 292 की तरफ आपका ध्यान आकर्षित करना चाहता हूं। आर्टीकल 292 यह कहता है:

> "The executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India, within such limits, if any, as may from time to time be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be fixed."

आज तक आप किसी संसद के सामने इस आर्टीकल 292 के तहत बोरोइंग्स की लिमिट, बोरोइंग की सीमा तय कराने के लिए नहीं आये। आप अनाप-शनाप उधार लेना चाहते हैं। आप देश के लोगों को उधार के बारे में विश्वास में नहीं लेते, आप इस सदन को विश्वास में लेना नहीं चाहते और आप यह बताना नहीं चाहते कि जो आपने उधार लिया है, उसको कहां खर्च करना चाहते हैं, किस तरह से खर्च करना चाहते हैं। आपकी वह इनएफिसियन्सी है। मैंने आपको बताया आपके पास बहुत बड़ी मात्रा में करीब-करीब 19 मिलियन डालर तो आपके पास अनयूटीलाइज मनी पड़ा हुआ है, अनडिस्बर्स्ड पड़ा हुआ है जिस पर आप कमिटमेंट ब्याज दे रहे हैं जो कि एक तरह का ब्याज ही है, तो आप जो उधार भी लेते हैं उस को ठीक तरह से मैनेज नहीं कर पाते हैं। आप कैसी पंचवर्षीय योजनाएं चलाना चाहते हैं? प्रथम पंचवर्षीय योजना में घाटे के प्रति सावधान किया गया था और 1980 तक लगभग इस देश में बचत का बजट बनाया और 1980 के बाद की सरकारों ने निरन्तर घाटे का बजट बनाना शुरू किया और मैंने आपको बताया कि आपका घाटा कैसे 694 करोड़ से भी बढ़कर 32 हजार करोड़ रुपये से ऊपर हो गया। तो मैं आप से यह कहूंगा कि वित्त मंत्री जी आप इस देश की अर्थ-व्यवस्था को सर्वनाश की तरफ न ढकेलें। आप रुपये का अवमूल्यन कैसे रोक सकेंगे इसके बारे में हमें बतायें। आप उधार लेने की प्रवृत्ति को कैसे रोक सकेंगे इस को हमें बतायें, आप सरकारी उपक्रमों को कैसे लाभकारी बना पायेंगे, हमें बतायें और मुझे एक और चिन्ता है जो मैं आपके सामने रखना चाहता हूं। कैसे देश की अर्थ-व्यवस्था... (व्यवधान)

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Kindly conclude. Final point.

DR. MURLI MANOHAR JOSHI: प्वाइंट पर ही हूं।

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): I understand that you are raising the points but kindly come to the last point.

डा० मुरली मनोहर जोशी: देश की अर्थव्यवस्था कैसे अस्थिर होती है। यह एक ऐसा सवाल है जिस की तरफ मैं आपका और देश का ध्यान आकर्षित करना चाहता हूं। अगर अर्थ-व्यवस्था विश्रृंखलित होती है, अगर अर्थ-व्यवस्था के अन्दर अनस्टेबिलिटी आती है, तो वह उतनी ही खतरनाक होती है जितनी कि पोलिटीकल अनस्टेबिलिटी होती है। कई मामलों में और भी ज्यादा होती है और मुझे कभी-कभी यह सन्देह होता है कि आप न तो पोलिटीकल अनस्टेबिलिटी को रोक पा रहे हैं और न ही आप इकोनोमिक अनस्टेबिलिटी को रोक पा रहे हैं। भगवान के वास्ते इस देश को इस तरह की आर्थिक अव्यवस्था और आर्थिक दुरव्यवस्था से बचाइये। इसकी तरफ मैं आपका ध्यान आकर्षित करना चाहता हूं और मुझे यह सन्देह होता है, ऐसे मौके पर कभी-कभी विदेशी-शक्तियों को खुल कर खेलने का मौका मिलता है और वे इस तरह की आर्थिक अव्यवस्था और दुर्बलता का नाजायज फायदा उठा सकती हैं। मैं आपसे यह आशा करूंगा कि आप देश की अर्थ-व्यवस्था को स्थिरता प्रदान करने की तरफ चेष्टा करें और अगर आप नहीं कर सकते हैं तो आप बराये मेहरबानी इस स्थान को छोड़कर हट जायें और फिर कम से कम देश के रुपये का अवमूल्यन होने के साथ-साथ इस देश का अवमूल्यन न करें। इस देश का अवमूल्यन होने से बचाये, ये दोनों जुड़े हुये हैं। अगर देश के रुपये का अवमूल्यन होता है, तो देश का अवमूल्यन होता है। देश की मुद्रा की साख गिरती है, तो देश की भी साख गिरती है। आपकी निजी साख या दो-चार आदमियों की साख का सवाल नहीं है, वित्त मंत्री जी यह देश की साख का सवाल है। देश की साख रहेगी तो फिर देश के अन्दर हम सब कुछ कर सकेंगे। अगर देश की साख गिर गई, तो आप समझिए कि हम देश के अन्दर स्वाधीन रहते हुए भी आर्थिक दृष्टि से पराधीन हो जायेंगे और इसलिए इस अवमूल्यन के प्रति मुझे भारी चिन्ता है और मैं आपसे यह जानना चाहूंगा कि इस अवमूल्यन को रोकने के लिए, महंगाई को रोकने के लिए, देश के घाटे को रोकने के लिए, देश के कर्जे को रोकने के लिए आप क्या कदम उठाना चाहते हैं? और न केवल मैं आप को याद दिलाना चाहता हूं कि 31 मई को इसी सदन में जब हमने विदेशी ऋण के मामले में चर्चा की थी तो आपने वचन दिया था कि आप विदेशी ऋण के

मामले में श्वेत-पत्र जारी करेंगे। लेकिन अभी तक आपने विदेशी ऋण के बारे में श्वेत-पत्र प्रकाशित नहीं किया क्यों नहीं किया, क्या कारण है, कब करेंगे।

धन्यवाद।

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Shri S. Jaipal Reddy, not here; Shri V. Gopalsamy, not here. Shri Ashok Mitra.

[The Vice-Chairman, Shri Satish Agarwal (in the Chair)]

SHRI ASHOK MITRA (West Bengal): Mr. Vice-Chairman, Sir, it is indeed tragic that an act which threatens to take the nation to the brink of rack and ruin has to be discussed in the form of a short Calling Attention motion and no extended discussion is possible. But it is anyhow a facade. I have listened to the statement made by the Finance Minister. It is a convoluted, badly drafted brief of a hopeless case. Now I would invite the Finance Minister to put his hand to his heart and tell us that since 15th August 1947 when the external rate of the Indian currency was determined by the free forces of demand and supply. There was only an interlude when this happened and this was from 16th October, 1995 to 26th October, 1995, the ten days over which he presided. There is a very interesting backdrop to what happened. You know things was turning bad. The external trade balance was widening. It was not shrinking despite the devaluation of the Indian currency. After all, this is something which we cannot forget. What have you done between July, 1991 and today? For four-and-a-half years you have devalued our currency to more than half, that is, you have increased the rate of exploitation of our countrymen and the products of our country by the foreigners. This is what you have done. You had promised that as a consequence of this our external balance will flourish, our foreign trade will improve, etc. I have the figures for the first five months, April to August, of this year and I compare them with those of 1991. From April to August, 1995 in rupee terms it was 6,213 crores and in dollar terms it was 1,976 million. Let us compare it with the situation five years ago. In April-August, 1991, the deficit was Rs. 2,833 crores. As I have said, after your reform our external trade in balance has more than doubled in the course of the five months compared to the five months in 1991. It is true about the dollar figures also. The dollar figure for those five months in 1991 was 1,148 million which is obviously less in contrast to the 1995 figure of 1,976 million. What was happening? We know that in the beginning of October the portfolio investments have stopped flowing in. They are not coming in. They have also sized up the internal domestic situation—you can call it the political situation or you can call it economic they had reached their own judgment. Direct foreign investment, after a spurt, had slowed down. The Government does not tell us the figures. We pick the information here and there. Of course, you know that your revenue deficit bulging and bulging and your share market was wobbling and a pressure was developing on the rupee.

Let me repeat what I said earlier. All through the history of post-independent India the rupee had been managed by the Government. From 1980 onwards there was a steady depreciation. That depreciation was managed. We had managed to cover the rupee bit by bit. But at least the Government was in control.

Even from July 1991 to 14th October the Government was in control. The Government did intervene. In fact, as you the Finance Minister, yourself have mentioned in the statement it did so last year during the period when the Government could not make up its mind. There was actually a slight appreciation in the value beyond Rs. 31/-. That was because there was a tussle between the two points of view within the Government, i.e. those who said, "All right if, you slightly appreciate the value of the rupee the portfolio investment will

continue to come in and we will have more foreign exchange" and those who said, "If you depreciate the value of the rupee, our exports will pick up." Obviously what happened was that by the first week of October, those who were in favour of appreciating the value of the rupee, or holding it stable, lost out because portfolio investment was not coming in. Therefore, only one party was left, of those who pressurised the Government to lower the value of the currency. The domestic lobbyists were or lowering the value of the currency and, of course, they were also the foreign lobbyists.

Sir, I would like to invite your attention to a curious coincidence. Last year, our delegation went to the Annual Meeting of the International Monetary Fund and the World Bank. As soon as they came back two things happened. They issued an Ordinance privatising the Industrial Development Bank of India. Then they issued a Notification saying that from now on the Central Bank, the Reserve Bank would not regulate the prime rate of interest in the country. It would be left to the commercial banks to decide. This year again — you can call it a coincidence — the meeting of the Annual Fund Bank was over by the second week of October and by the 16th of October, in that week, two things happened. Bangladesh devalued and Pakistan also devalued. But India did not devalue. There were, however, I have to use the adjective, pompous statements from the Ministry of Finance and the Reserve Bank of India that we do not intervene in the currency market and let the forces of demand and supply determine the external value of the rupee. The only conclusion I draw is the Government had already made up its mind that it would push the rupee down, down, down to somewhere around Rs. 35, roughly 10 or 15 per cent devaluation, in order to push up exports. But, as you know, by then what had happened was, the speculative forces took over. Once the Government withdraws from the money market, there is only one sentiment. This is number one. I should mention something else. Payments to foreign parties on account of past debts. In the past what we used to do was if we had to pay 500 million dollars, we used to go to the Reserve Bank of India. We used to say, "All right, you deduct from the Reserve Bank's account and hand over some notional rupees to the Reserve Bank of India and get 500 million dollars. Don't come to the market at all." But here the Government of India and the Reserve Bank of India come out with a statement saying from now on you have to buy the foreign exchange from the market if you have to repay your past commitments. The moment you went in search of the dollar, the rupee weakened. You knew that the rupee would weaken. But, you watched, watched and watched for full 10 days and then the rupee came down to Rs. 36/- and to Rs. 38/-. There was a wild speculation that it would go even beyond Rs. 40/-. At that stage, obviously you were scared. You got scared because if there was a run on the rupee, if the dollar stock kept on being eroded then the 17 billion dollars which you were having, would disappear. Therefore, I would say that somebody will have to answer for that non-activity between the 16th October and the 26th October. You played with the country's hard-earned assets and in that process you have frittered away three to four billion dollars. I am not sure what will happen from now on.

So many forces are at work. Number one, I am told that during the month of December, you have to meet commitments to the extent of two to three billion dollars. We don't know the exact figure because we have no opportunity of consulting the secret files of the Ministry of Finance. It could be two billion dollars or three billion dollars. Number two, you will be spending dollars in order to shore up the value of rupee at around 35 rupees. I don't know how much you will spend in the course of December. Another five hundred million

dollars more, less? Number three, given the developments in the share market, there could be a rush for repatriation of funds by the portfolio investores. Again, one does't know, how much this would add up to. If you keep on adding these sums we don't know-the 17 billion dollars could come down to 12 or 13 billion dollars. Somebody might chip in at this stage and say that even with 12 to 13 billion dollars, we are doing a lot better than we did in June 1991, when we had only one billion dollars. I would humbly point out, yes, it might be that, in the net, you have added to your foreign exchange assets by 13 to 14 billion dollars during these five years. But, would you, Mr. Finance Minister, tell us, how much you have added to the country's external debt over the same period? I have the figures. I can read them out to you. For example, our foreign debt in, let us say, March, 1991, was 83.8 billion dollars. Today we do not know the latest figure. When we put the question to you, you say that you are trying to collect the information. I am sure that the information is available in your kitty. But you think that the Members of Parliament should not be taken into confidence. The latest published figures that I have been able to put my hands on suggest that in March of this year it was 95.3 billion dollars. So, while you have added. In the process of creating net foreign assets of 16 billion dollars, you have also created extra, indebtedness of 13 billion dollars. If, in the course of December, we lose another three to four billion dollars, then we will have absolutely nothing to show for all the privations that we have gone through over the last five years. You know, everybody in the Ministry of Finance, from the Minister down to the lowest Section Officer, has a standard formula: "Oh! Yes, there is some problem with the balance of payments or foreign exchange rate etc., etc., but our fundamentals are all right." I am sick and tired of this expression, 'fundamentals'. The rate of growth of Gross Domestic Product between 1986-87 and 1990-91 was 6.8 per cent. The rate of growth of the GDP between 1990-91 and 1994-95 is down to 3.9 per cent. The rate of growth of farm production between 1986-87 and 1990-91 was 5.9 per cent. Between 1990-91 and 1993-94, it went down to 2.3 per cent. The rate of industrial growth between 1986-87 and 1990-91 was 8.2 per cent. Between 1990-91 and 1994-95, it went down to 4.1 per cent. At this point, somebody from the Treasury Benches can say that this year we have done better. I have seen the figures for the first four months. The rate of growth is 11 per cent. I have also additional information that in the following four months, this will dip down. Therefore, even in the year 1995-96, your performance would not have been any better. The rate of capital formation in 1990-91 was 27 per cent of the GDP. By 1993-94, it was down to 20 per cent.

What about the price rise which is affecting the people? This morning, again, I saw the standard news item that inflation has dipped down. But the Wholesale Price Index has reached the highest figure of 299. Prices are going up without any let up. There has not been a single week since July, 1991 when the prices have not gone up. I have the figures of the rate of increase in the Wholesale Price Index and the Consumer Price Index for industrial workers and the rate of increase in the Consumer Price Index for agricultural workers. In each of these instances, the rate of increase was much lower in the late eighties than it has been during the period 1991—95, the period during which Dr. Manmohan Singh has been presiding over the Finance Ministry.

This morning, during the Question Hour, the Labour Minister doled out some fictional figures which the Planning Commission has cooked up. We asked responsible, senior-most officials of the Government whether they would swear by these data. They said, "No, Sir. We cannot swear by these data." Then, what

are these figurest? They have made an assumption that if such and such money has been spent on such and such projects, then perhaps we would have that much of increase in employment. Our MPs have a bitter experience to relate, for example, the Prime Minister's Rozgar Yojana. The banks are sitting on top of your money, nothing is happening, it is all on paper. Nothing at all is happening. This is a complaint which is being made by everybody, cutting across party lines. This is all pure fiction. Whatever figures we on this side have are established figures, from organised industry. I will give the details. I underwent an eye surgery recently. Therefore, I have some difficulty in reading out the figures. I hope the hon. Members would pardon me. The particular figure I have in my mind relates to increase in employment. It was 1.6% between March, 1989 and March, 1991. It has come down to 0.9% between March, 1991 and March, 1995. That is the data officialy released to us. Then, you look at the increase in money supply. It was 38.2% between March, 1989 and March, 1991. It went up to 44.7% between March, 1993 and March, 1995. The revenue deficit was 2.6% of the GDP in 1989-90 and 3.5% of the GDP in 1990-91. It was 4.2% of the GDP in 1993-94 and 3.8% of the GDP in 1994-95. Given the compulsions of spending money like water on account of the elections in the current year, I don't know where we will end up. I would say we have had enough of it. The Finance Ministry patronises its American friends and the Finance Ministry is being patronised by a bunch of foreigners.

This country belongs to all of us as much as it belongs to the Treasury Benches. We owe it to ourselves to save the nation. This is the time when you should impose some form of import control as well as exchange control.

Secondly, you must try to persuade the exporters, who are keeping their money outside and are not bringing it in since they are worried that the rupee will fall further, to bring their money back. And if necessary, you must also have statutory provisions to ensure this. Thirdly, you know, this is a transitional period. We know that in six-months' time there will be a new Government in office. We don't know the colour of this government. There is a convention in all democratic countries that during this transitional period, when critical issues are involved, the Government calls in and exchanges views and information with the members of the Opposition. I would humbly request the Government, the Treasury Benches, to see to it if they can accede to this request. These are critical times and we are not enemies of the country. We want to help out. We want to help but we can help only if you are prepared to accept this offer. Until now, the attitude has been that the Finance Ministry and the foreigners knew best... (*Time Bell*). So, my appeal is now really to the Treasury Benches. Sir, the Congress was, once upon a time, a great party and everytime I look towards that direction, I remember that there used to be Mr. Pragada Kotaiah, a great man, who used to sit there and maybe it is allegorical that he used to occupy the very last bench in the Congress Party. But it is such men who built the Congress Party. They were patriots. They were proud of the country. So, I would appeal to the Congress Party that for a change let us return to that pride and if there is any, what shall I say, structural adjustments needed, I would appeal to you, do such structural adjustment in the Ministry of Finance. It is a disaster to the nation.

SHRI V. NARAYANASAMY: Mr. Vice-Chairman, Sir, thank you for giving me this apportunity. The Finance Minister has given an elaborate statement on the falling value of rupee in comparison to the dollar. But several theories have been made by the mover of the motion, Shri Gurudas Das Gupta, saying that various factors have culminated into this kind of a situation. One is external borrowing. Another is borrowing in the international market

and allowing the market forces to decide the situation. He also said that though there is growth as predicted by the hon. Finance Minister, the quality of life of the individual has not improved. These are broadly the points that he has mentioned.

I would like to submit that this is nothing new as far as fluctuation in the rupee value in comparison to the dollar is concerned. Though the situation stabilised for two years, as told by the Finance Minister, it is the demand and supply position which was one of the main factors which determined the rupee value in the market. Sir, they have been blaming the present Government about the external debt, the internal borrowings and also the deficit budgeting. But I would like to ask what the state of affairs was prior to 1991, between 1989 and 1991. That is for anyone to guess. The inflation was more than 17 per cent. The foreign exchange reserves were very low, Rs. 2,500 crores. They did not have funds to meet the export and import requirements of this country even for more than two weeks. Industrial production had gone down and the agricultural output was also very low. When the new Government headed by our Prime Minister Shri P.V. Narasimha Rao, took-over, the new Economic Policy was brought into force, the Import-Export Policy was also implemented and licensing was removed. Thereafter, in a free economy, investments not only from individual entrepreneurs within the country but also foreign countries started flowing. The leaders of the Opposition are now raising the slogan of *Swadeshi* movement throughtout the country. Sir, I find that in the global economy when the countries are competing with each other for the purpose of developing their nations, it is absolutely necessary that the Indian economy has to be modified to suit that situation. Therefore, Sir, when you say that external borrowings have increased and internal borrowings have also gone beyond the limits, these are all things which any country has to bear with. Sir, today the foreign exchange position is very satisfactory as the foreign exchange reserves have increased to more than 19 billion dollars. It has been accepted even by the BJP leaders.

Sir, while giving all these details I fail to understand when in the months of September and October the dollar-rupee value really started fluctuating, especially when it was going beyond thirty-five rupees — as per the statement of the hon. Finance Minister, though the Reserve Bank of India had been purchasing dollars and putting it into the market for the purpose of stabilising the rupee-dollar value — why did the R.B.I. keep quite for more than 15 days? It is a moot question because earlier it was the practice with the R.B.I. that it would purchase dollars and put it into the market, but unfortunately, this time, the Reserve Bank of India kept silent for more than 15 days. The reason given for its non-intervention was that it would have an adverse impact. Sir, I don't find the reason correct. When they found that there was no flow of capital funds from abroad, when the dollar in circulation in the market was going down and when the people were frantically trying for getting dollars, naturally, there will be an increase in the value of dollar *vis-a-vis* the rupee and the rupee value will go down. It is common knowledge, but the Reserve Bank of India kept quiet for more than 14 days.

Sir, I also saw the newspaper report where the hon. Minister for Commerce, Shri P. Chidambaram, said that it would stabilise at thirty-four rupees and fifty paise. Thereafter the Reserve Bank of India started working and it stabilised the situation by getting more dollars and putting it into the market.

Sir, the Reserve Bank of India gave directions only at the end of October by putting certain restrictions on the exporters that if the bills were not cleared within ninety days, then they would not be getting the benefits. Sir, when a lot of money had been locked up by the

exporters outside the country, the Reserve Bank of India did not act. It took nine months to one year for the Reserve Bank of India to issue a circular. Sir, the information that has been given to me is that even in the banking sector the funds that had been flowing, the amounts that had been deposited by the investors were with some private organisations and not with banks. In the last six — seven months the deposits with banks had increased. Apart from that, another important aspect which the hon. Finance Minister has to clarify is relating to import of oils made by the Government. The State Bank of India purchased dollars in the market for the purpose of paying the money due to the importing countries. Sir, it was during that period. Why did they wait for such a long period?

Why did they go in for panic purchase of dollars in the market thereby creating artificial fluctuations? Sir, these cumulative effects led to today's situation. Today it has been brought down to Rs. 34.5 to Rs. 35.

DR. BIPLAB DASGUPTA (West Bengal): No. It is Rs. 35 plus. (*Interruptions*)

SHRI V. NARAYANASAMY: I am saying, it is between Rs. 34.50 and Rs. 35. (*Interruptions*) Let the Finance Minister tell that. I am saying this from my source of information. Let the Finance Minister clarify whether it is Rs. 32, 33 or 35 or 36. (*Interruptions*) Let the Finance Minister say. (*Interruptions*) When he replies, he will definitely tell us.

DR. BIPLAB DASGUPTA: Do not worry about figures. The Finance Minister will quote the figures. We will take those as official figures. (*Interruptions*)

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Narayanasamy, please continue your speech.

DR. BIPLAB DASGUPTA : He should not waste the time of the House (*Interruptions*)

SHRI V. NARAYANASAMY: think, Biplab Dasguptaji, it is only you prerogative to quote figures and no mine. I do not understand this analogy Figures can be quoted only by th Members of the Opposition and not b the ruling party Members. I am ver sorry. (*Interruptions*) I will read the las sentence of the hon. Finance Minister' speech.

THE VICE-CHAIRMAN (SHR SATISH AGARWAL): Misquoting i also quoting.

SHRI V. NARAYANASAMY: would like to read the sentence so tha the hon. Members from the other sid can appreciate it. I think, it will throv much light on the arguments made b Shri Gurudas Das Gupta. The hon Finance Minister said, "The rea economy of the country, judging by th growth of national income, agricultur and the industrial production, th employment and exports remaine stronger and resilient." The hon Members will appreciate this whe compared to 1991 figures. (*Interruptions* He is sitting there and watching as t what we have been saying. When we ar accusing the Government of i performance in only one sector, we hav to appreciate hether the Government ha really achieved in other fields or no (*Interruptions*)

DR. BIPLAB DASGUPTA: Yo should read the Economic Survey of Dr Manmohan Singh. (*Interruptions*)

THE VICE-CHAIRMAN (SHR SATISH AGARWAL): You make you own point. Do not join issues with them Otherwise, you will get detailed (*Interruptions*)

SHRI V. NARAYANASAMY: I am not joining issues with them (*Interruptions*) I am not joining. But am telling the reality which we have t accept and understand. Otherwise, wh should I quote this particular sentence (*Interruptions*)

SHRI DIGVIJAY SINGH: Mr. V. Narayanasamy, we ask you one simple question. You are quoting 1991 figures. What was the market value of the dollar-rupee in 1991? Just one question. Tell us the market value of the worst economy year, 1991. What was it? (*Interruptions*)

SHRI V. NARAYANASAMY: Let us not take the isolated case of India alone if you want to challenge me on that. Let us take the values of other countries. (*Interruptions*)

SHRI DIGVIJAY SINGH: We are just asking you. Please tell us what was the dollar-rupee value of the worst economy year of this nation, 1991? What was the ratio (*Interruptions*)

SHRI V. NARAYANASAMY: When development takes place, when the country grows, we cannot see an isolated case... (*Interruptions*)

SHRI DIGVIJAY SINGH: We are asking what was the value of the dollar-rupee. (*Interruptions*)

SHRI V. NARAYANASAMY: We can tell the senior Member that the value of Yen had come down like anything in Japan. (*Interruptions*)

SHRI DIGVIJAY SINGH: What was the rupee value in 1991, the worst scenario, when you took over on June 23, 1991? That is what I am asking. (*Interruptions*) What was the *hawala* rate? I am not asking the official rate? (*Interruptions*) We agree, 1991 was the worst time. This is created by you only and not by us. (*Interruptions*)

3.00 P.M.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Narayanasamy, please pay heed to my good advice. You are unnecessarily being dragged. ...(*Interruptions*)...Your time is going to be up.

SHRI V. NARAYANASAMY: I am going to conclude within two or three minutes. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): You remember that I am in the Chair. ...(*Interruptions*)... I am impartial to everybody.

SHRI V. NARAYANASAMY: There has been fluctuation even in a strong and developed country like Japan. ...(*Interruptions*)...The Yen-dollar ratio has been fluctuating and the Government there had to bring down the mechanism for the purpose of saving the situation. So, it has been going on in a strong country like Japan...(*Interruptions*)...

DR. BIPLAB DASGUPTA: Japan!

SHRI V. NARAYANASAMY: Kindly here me.

DR. BIPLAB DASGUPTA: Are you saying that yen is losing against dollar?...(*Interruptions*)...

SHRI V. NARAYANASAMY: I am saying that it is losing against dollar. ...(*Interruptions*)...You are not understanding what I am saying. That is the problem. ...(*Interruptions*)... You are not understanding what I am saying.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Narayanasamy, You will be more comfortable if you look at me. ...(*Interruptions*)...

SHRI V. NARAYANASAMY: Sir, what I am saying is that this fluctuation is not in India alone. Let us take the case of European counties, whether it is France or whether it is Denmark, there also this fluctuation is taking place and the dollar is very strong. Therefore, it is a global situation. I would like to tell him that he cannot take an isolated case of India alone and try to pinpoint that this a very alarming situation and, therefore, the Government has to come forward and do everything. I only ask the hon. Minister as to why there was no timely intervention. This is my question to the Finance Minister. Than you, Sir.

SHRI GURUDAS DAS GUPTA: Sir, let me point out that dollar has never

been strong. Dollar was losing against Japanese currency and there was an international uproar. But, despite the respectability of India and Indian currency and Indian Finance Minister, there was no help from anywhere in the world when the Indian rupee was dropping down. It is for record. This is our respectability in the world.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Shri Jaipal Reddy is not here. On behalf of Janata Dal, Shri Sanatan Bisi is speaking. Mr. Bisi, this debate was to be over at three O' clock; therefore, complete your speech as early as possible.

SHRI SANATAN BISI (Orissa): Sir, I thank you very much for the opportunity that you have given me to speak. At the outset, I would like to say that this present crisis is because of the poor management of currency by the Government. Due to this inflation, the purchasing power of the poor and the fixed income group has been brought down. The Congress Government in its election manifesto declared that the Government would bring down prices of essential commodities. I would like to state here the comparative figures of the prices of various commodities. The price of rice was Rs. 4 per kg. and now it is selling at Rs. 9 per kg. wheat was selling at Rs. 3.20 per kg. and now it is selling at Rs.6.30 per kg., the price of sugar has incresead from Rs. 7 to Rs. 15 per kg., the price of edible oil has increased from Rs. 36 to Rs. 62 per liter, the price of tomato has increased from Rs. 6 to Rs. 24 per kg. the price of potato has increased from Rs. 3 to Rs. 8 per kg. the price of pulses has gone up by more than three times, the rate of foodgrains has increased by 14.4 per cent. Sir, the Consumer Price Index has gone up by 70 per cent. I would like to say that inflation has increased only because of this unlimited borrowing and liberalisation. The Finance Minister stated several times in this House that so far as external debt was concerned, they would bring out a White Paper. But up till now, it has r been brought out. Sir, the Congr Government is avoiding the Parliament would call upon the Finance Minister tl a discussion under Article 292 of c Constitution should be held in order know something about the Consolidat Fund as well as the limit. With the worlds, I conclude. Thank you, Sir.

श्री दिग्विजय सिंह: उपसभाध्यक्ष महोदय, अ जब मनमोहन सिंह जी का भाषण इस कॉलिंग अटेंशन हो रहा था तो पहली बार मुझे लगा जैसे कि मनमो सिंह जी निस्सहाय अवस्था में कोई अपनी बात कह हो और जिस बात को पिछले कई वर्षों से लगातार ब ताकत से, जोरशोर से मनमोहन सिंह जी इस सदन रखते थे, आज अचानक हम लोगों ने उनको उस हाल में अपनी बात को रखते हुए देखा, जहां पर एक बा समझदार और काबिल वकील इस बात को जानते भी कि इस केस में कोई दम नहीं है, बहस करना उस मजबूरी है, इसलिए वह बहस कर रहे हों। आज वि मंत्री जी भी उसी हालत में सदन में अपनी बात रख थे। मुझे उससे भी ज्यादा तकलीफ इस बात से हुई जहां पिछले चार वर्षों से लगातार हम लोगों सैद्धांतिक मतभेद मनमोहन सिंह जी की आर्थिक नीति से रहा और जब से इनकी नई आर्थिक नीति आई है त से हम लोगों ने अपनी बात अलग से रखी और इन्हें बार-बार हमसे सदन में कहा और सदन के बाहर क जहां-जहां मुलाकात हुई—कि तीन वर्ष का वक्त ह दीजिए, हम दिखला देंगे कि आर्थिक परिणामों क नतीजों का देश में क्या हो जाएगा। हमारा विरोध तब था कि तीन वर्ष तक इस देश के लोग—गरीब नौजवा बेरोजगार लोग कहां से बर्दास्त कर सकते हैं। मगर उ सारी चीजों को बर्दास्त करने के बावजूद आज जिस बा पर हम लोग अपनी बहस कर रहे हैं और जिस बात व जिक्र हमारे कांग्रेस के दोस्त नारायणसामी जी ने किया, वहीं से शुरू कर रहा हूं कि यह बात सही है कि 199 के जून महीने में इस देश की आर्थिक स्थिति सबसे खराब हालत में थी। इस बात को स्वीकार करने में मे कोई हिचकिचाहट नहीं। इसलिए कि उस आर्थिक बदहाली का इल्जाम हम पर जरूर लगाया गया लेकि वह क्यों हुआ, कैसे हुआ, इसकी जानकारी पूरे देश व है। न हमने कर्जा लिया था, न हमने कर्ज के भुगतान के लिए लोगों से झूठी बातें कही थी। पिछली सरकारों व गल्तियों का भुगतान हमें करना पड़ा। लेकिन उसके बावजूद आज हम इस बात को मानते हैं कि 1991 व

हालत सबसे बुरी थी। लेकिन उस बुरी हालत की स्थिति क्या थी, इसकी जानकारी मैं माननीय वित्त मंत्री जी से चाहूंगा? चाहे वह हवाला हो, चाहे वह ब्लेकमार्केटिंग में डालर का रेट हो। उस समय कितने में डालर बिक रहा था? आज आपका खजाना भरा हुआ है। मैं उस खजाने के ऊपर बाद में आऊंगा। लेकिन आप खुद कहते है कि फोरेन रिजर्व से आपका देश, आपका खजाना भरा हुआ है। जब खजाना खाली थी, दिन-दिन गिने जा रहे थे—तब डालर 20 से 25 के बीच में पूरी दुनिया में बिक रहा था रुपए के मुकाबले में। आज आपका खजाना भी भरा हुआ है। आज तमाम दावे कर रहे हैं अपनी आर्थिक प्रगति के, उन्नति के। आज 35 रुपया तो सरकार कह रही है, बाजार में 38, 39, 40 का रेट है। जापान का जिक्र नारायणसामी जी ने किया। एक बार जब नौजवानों का जापान डेलीगेशन गया था तब मैं भी वहां गया था। फिर बाद में अपनी पी०एच०डी० के सिलसिले में जापान यूनिवर्सिटी गया था और फिर अभी दो महीने पहले यूनाइटेड नेशंस के डेलीगेशन में मैं जापान गया था। जब मैं पहली बार गया था तब 1980 से पहले 200 येन के बराबर एक डालर था। जब मैं पी०एच०डी० करने विद्यार्थी की हैसियत से गया था तब 140-145 के मुकाबले में एक डालर था। अभी दो महीने पहले जब मैं वहां गया था तो 80 से 85 येन के नीचे ही एक डालर था। यह तो समझ में बात आती है कि उसकी इकोनोमी मजबूत हो रही है। नारायणसामी जी का ज्ञान अगर अज्ञानता से भरा है तो मैं नहीं कह सकता, डालर सारे संसार में गिर रहा है। जैसे-जैसे देश की इकोनोमी बढ़ रही है उसमें डालर गिर रहा है, कहीं डालर बढ़ा नहीं है, चाहे वह किसी की तुलना करें। जो प्रगतिशील राष्ट्र के ऊपर के देश है उनके ऊपर मैं कह रहा हूं। माननीय वित्त मंत्री जी, अगर नीति सफल नहीं हुई तो एक बात मैं आपसे कहना चाहता हूं। व्यक्ति से बड़ा सिद्धांत होता है, सिद्धांत से बड़ा देश होता है। अगर आपका सिद्धांत असफल हुआ तो इसका मतलब यह नहीं कि आप देश को असफलता की ओर ढकेल दें। वक्त अभी भी है। इन सवालों पर एक राष्ट्रीय सहमति बनाएं, जो मैं बार-बार आपसे कहता आया हूं। यह किसी मनमोहन सिंह जी की जागीर नहीं, यह सरकार की जागीर नहीं। आखिर कल आप सरकार में रहेंगे फिर चले जाएंगे। यह तो सारी सृष्टि ही ऐसी है कि इंसान भी कितने समय तक रह पाता है, इसकी जानकारी लोगों को नहीं। लेकिन देश रहता है और यह एक राष्ट्रीय चुनौती है देश के लोगों के सामने आपको पहल करनी पड़ेगी इन सवालों के ऊपर। आज ही श्रम मंत्री जी बयान दे रहे थे। इस नई आर्थिक नीति के जो नतीजे निकल रहे है, वह सरकार के लोग बता रहे हैं कि 40 हजार टेक्सटाइल मिल के कर्मचारियों की छटनी हुई और कुल मिला कर सवा लाख के करीब, यह सरकार का आंकड़ा है। गरीबी रेखा 35 से 40 फीसदी बढ़कर हो गई है यह हमारा आंकड़ा नहीं है। आखिर इस नीति का क्या नतीजा निकल रहा है। आप माने या न माने या तो आप समझदारी से इस काम को कर रहे हैं या फिर आप बेईमान नहीं है तो मैं तो यह कहूंगा कि आप नासमझी से इस काम को कर रहे हैं। जिस नीति को चला कर आप इस देश को ये विश्वास दिलाना चाहते थे कि सरकार सफल नीति बनाकर देश के लोगों की भलाई करने वाली है, उस नीति का अंजाम यह हो रहा है कि हर क्षेत्र में सरकार असफलता की ओर बढ़ रही है। कओर्डीनिशन की बात आपने की, खजाना भर दिया आपने, अशोक मित्रा जी ने सही आंकड़ा रखा कि 15 मिलियन, 16 मिलियन, 17 मिलियन। अगर नारायणसामी की बात आज हम मान लें, तो हमारे हिसाब से तो 16 और उन के हिसाब से 17 ही अगर मान ले तो उस समय 91 में हमारे ऊपर कितना कर्जा था? कितना इनवेस्ट हुआ? जो आपने आंकड़े दिए थे उस समय आपने बताया था कि 83-84 मिलियन करोड़। आज 95 से ऊपर हो गया जितना रिजर्व लाये उतना ज्यादा विदेशी कर्जा इस देश के ऊपर थोप दिया। तो फायदा क्या हुआ उस रिजर्व का और वह रिजर्व अब भी किस तहत आया है जरा इस बात की भी जानकारी दे दें। आज आखिर इस बात के परिणाम के नतीजे यही निकले। पैसा कहां से आया था? सट्टा बजार में पैसा लाया गया। इनवेस्टमेंट किस जगह पर आया? देश की किन बुनियादी चीजों में इनवेस्टमेंट आया? चार साल बीत गये, साढ़े चार साल हो रहे हैं, आप इस बात की जानकारी देश को देते क्यों नहीं? इनवेस्टमेंट कहां पर आया?

पैसा सट्टा बाजार में आयेगा, जिनको हॉट मनी कह लीजिए या शॉट मनी कह लीजिए आप। उस पैसे का यही नतीजा, यही अन्जाम निकलने वाला है, आप तो चले जायेंगे। आप दुबारा सरकार में वित्त मंत्री बनें या न बने यह मैं नहीं जानता, लेकिन आने वाली सरकार को जिस गम्भीरता का सामना करना पड़ेगा, उसका अन्दाजा आज गुरूदास गुप्ता ने अपने बयान से दिया, कि 1996 में किस तरह से पैसे का भुगतान करना पड़ेगा विदेशी कर्जे का। दस-दस बिलियन रुपया कहां से आयेगा? टेन बिलियन रुपया कहां से आयेगा, जी हां, टेन बिलियन डालर्स कहां से आयेगा जिससे विदेशी भुगतान किया जायेगा। अपने डेफीसिएट को तो आप रोक नहीं पाये,

पांच हजार से 30 करोड़ पर आज पहुंचा दिया 1991 से लेकर 1995 तक। कैसे इन सवालों का नतीजा निकलेगा? आने वाली पीढ़ियां हमें माफ नहीं करेंगी, आप तो सरकार में हैं। लेकिन संसद के अन्दर हम सारे लोग बैठकर जिस बात की चर्चा कर रहे है, उस को देश मानने को तैयार नहीं है। 30 रुपये किलो जिस देश में दाल बिकती हो, 4-5 रुपये किलो नमक बिकता हो, सात रुपये नमक बिकता हो—इस देश की सारी आजादी की लड़ाई की बुनियाद—गांधी जी ने नमक सत्याग्रह आन्दोलन चलाया, आज उसी नमक को हम सात रुपये में ला रहे है। चालीस फीसदी लोग गरीबी रेखा से नीचे हैं और आप कह रहे हैं कि आर्थिक नीति के परिणाम अच्छे निकलेंगे।

उपसभाध्यक्ष महोदय, मैं आपके माध्यम से आंकड़ों की बहस मंत्री जी से नहीं करना चाहता। मैं तो सिर्फ इतना जानना चाहता हूं और कहना चाहता हूं, विनम्र शब्दों में कहना चाहता हूं कि मंत्री जी अभी भी वक्त है, अभी भी, एक आम सहमति की नीति आप बनाइये, अभी भी जिस जगह पर आप पहुंच चुके है, जो बार-बार कहा जा रहा है कि विदेशी कर्जे के घेरे में देश को धकेल रहे है, कैसे इन समस्याओं से देश जूझेगा, इस का नतीजा निकालें। आपकी आर्थिक नीतियां असफल रही है, इस बात को आप स्वीकार करें और एक बार फिर से देश के लोगों पर आने वाला जो संकट है, जो चुनौती है, उससे लड़ने के लिए आगे की पीढ़ी कैसे खड़े हों, उसी में आपका दायित्व और नेतृत्व काम आयेगा। अगर आप कम से कम देश को यह बता सके कि आने वाले खतरे क्या है, आम सहमति अगर आप बना दें, तो यही देश के ऊपर सबसे बड़ा कल्याण होगा। धन्यवाद।

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Shri S. Muthu Mani. Please complete within five minutes.

SHRI S. MUTHU MANI (Tamil Nadu): Mr. Vice-Chairman, Sir, the Congress Party came to power with a promise to roll back the prices within a hundred days of assuming office. Today, when the General Elections are fast approaching, the economy of the country is in a shambles. Inflation is rising, prices are sky-rocketing and, now, the rupee is steadily falling in the international market.

When the Government came out with its new economic policies, we had expressed our doubts about its working in our country. We had reasons to feel that the new economic policy would ultimately put our economy off the track; and that has happened now.

While there is all round gloom in the economic scenario of the nation, it is the agricultural sector which has done well irrespective of the harsh attitude of the Government.

When the rupee fell in September this year, the Central Statistical Organisation came with a heady assurance that the economy had really taken off in 1994-95 with a "dream rate" of growth of the Gross Domestic Product of 6.2 per cent against the earlier estimate of 5.3 per cent. How this consummation came to be achieved and to what extent this favourable development can be attributed to the economic reform process are matters which are yet to be scanned by economic analysts. But credit must go to the agricultural sector which had an estimated growth of 4.8 per cent—double of what was foreseen in February 1995. This happened despite the relegation of agriculture to the background by the Centre.

For more than two years the rupee stood at the level of Rs. 31.30 against the US dollar. But in mid-September 1995 when the economy was said to have taken off, the rupee had an abrupt slide and touched an all-time low of Rs. 35 against the US dollar. The pity is, even then the Government was not alarmed. The Finance Secretary and the RBI Governor were assigning reasons like technical correction. The Finance Minister said that the marketordained depreciation of the rupee should not worry us.

They all were proved wrong after a month. By mid October 1995 it became very clear that a critical dollar shortage had led to this free fall of the rupee. One fails to understand what the economic

experts, paid by the Government of India, were doing. If they had understood the reason in time, this tragic fall of the rupee could have been averted. After the damage was done and the rupee had nosedived, the RBI intervened in the forex market tentatively for a change with petty amounts of dollar offloading. Only a week later the RBI had a belated realisation that only massive injections of dollars into the market would arrest the precipitous fall of the rupee. Yet, again the Government claims that the fundamentals in the economy have been unassailable. If this is so, how then was the rupee under such sustained pressure for over nine weeks?

There is nothing in the macro economic theory or in the economics of development to suggest that there are certain variables in the economic system which are fundamental.

Even after all this, the RBI Governor has observed that there may not be a further fall in the external parity of the rupee, as the correction in respect of earlier implied overvaluation is believed to have taken place. I wonder whether he means to say that the rupee won't appreciate further and that we should thank the Government if it does not fall further.

The callousness of the Centre leads to inflation, price rise and also devaluation of the rupee. The State Governments which have been ignored in economic policy making have to bear the brunt of the unwise decision of the Centre.

The Centre is not able to manage the activities of the departments under its purview. Yet it is going on usurping the powers of the States. The hon. Chief Minister of Tamil Nadu has conveyed to the Centre, several times, against taking policy decisions involving the economy of the nation.

So, Sir, my appeal to the hon. Finance Minister, through you, is this: The reform process is so far at a standstill. Foreign investments have declined to a mere trickle. Repatriation of funds from out of India may not have assumed alarming proportions as yet. But secondary market inflows of foreign funds have virtually stopped. The markets continue to entertain the belief that the rupee has not yet found its floor. The Government has to tell the House how and how soon it will impart confidence to the investment market by stabilising the rupee.

Thank you, Sir.

SHRI SURINDER KUMAR SINGLA: Sir, would you kindly allow me to ask two questions if the Finance Minister agrees?

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): No more debate now.

SHRI SURINDER KUMAR SINGLA: My name is there.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Many names are there.

In the morning, the hon. Deputy Chairman announced that this Calling Attention debate will be over at three o'clock. I have been trying to accommodate, as far as possible, all Members belonging to all sections of the House. The Finance Minister will take another ten or fifteen minutes.

SHRI GURUDAS DAS GUPTA: Why? Why are you curtaining the time of the hon. Minister? What is this?

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): I am not curtaining his time ...*(Interruptions)*

SHRI GURUDAS DAS GUPTA: Why just fifteen minutes? Let him speak about everything.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Let him speak for half an hour. How can I stop him that way?

SHRI GURUDAS DAS GUPTA: No embargo should be put on a Minister.

DR. BIPLAB DAS GUPTA: Sir, allow me two or three minutes.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): To regulate the House in a very orderly manner, sometimes the Chair has to do very unpleasant jobs. Singla Saheb, I am sorry, because the Home Minister is waiting here.

SHRI SURINDER KUMAR SINGLA: My name was announced.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Even if your name is not here, I can permit you. The Chair has got that much power, with name or without name.

SHRI SURINDER KUMAR SINGLA: Kindly permit me to speak to them.

उपसभाध्यक्ष (श्री सतीश अग्रवाल): देख लीजिए, बहुत समय लग जाएगा। अब होम मिनिस्टर इंतजार कर रहे हैं, उनको जवाब देना है, जाना है। उनको तीन बजे के लिए कह दिया गया था। अब तीन से साढ़े तीन हो गए हैं, अब फाइनेन्स मिनिस्टर जवाब देंगे। इम्पोर्टेन्ट डिबेट है, इम्पोर्टेन्ट इश्यू हैं। दस मिनट-लगे, बीस मिनट लगे, तो फिर आप बात कर लीजिए।

SHRI JAGMOHAN (Nominated): Sir, I had given my name. I will take only one minute. I will not repeat anything. I will take just one minute.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): One minute means one minute.

DR. BIPLAB DAS GUPTA: Sir, I will take two minutes. ...*(Interruptions)*

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Okay. You all be satisfied. I will request the Home Minister to bear with me.

SHRI JAGMOHAN: I have only one or two points. I will not repeat all the speaches which have been made.

I agree with the accusation of Mr. Gupta. The point is whether this was anticipated. The statement of the hon. Finance Minister gives reasons which could be easily anticipated. So, this was not anticipated, and we have never been told about them. In fact, so far as I reflect, I had asked a question here. An economist's prediction was that the rupee value was likely to fall by 40 per cent. It was said, "No, it is not likely to fall to that extent."

SHRI GURUDAS DAS GUPTA: Does he mean that he is seeking an anticipatory bail from Parliament so that he is not accused?

SHRI JAGMOHAN: The second point I am making is that there is a lot of confusion about statistics. Well, as you know, the planning Commission is giving one type of statistics. Some studies are giving other type of statistics. There is a wide variation between them. But the basic point is: what is the reality on the ground? Wherever you go, those realities on the ground do not speak lies. You go to any of the towns. You will find that all the cars are new Zen cars, but the roads on which they are playing have a number of potholes. You ask any municipality. You ask any development authority. They say, "We are bankrupt. We have no money." But a particular section of people have a lot of money to buy cars worth Rs. 5 lakhs or Rs. 10 lakhs. No municipality has got even Rs. 5 lakhs to repair the roads. So, what type of development is coming? what pattern of life is coming in our cities everywhere? This is the issue.

Another point made was that Japan has also suffered because of the fluctuation of the dollar.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Narayanasamy did not know that Japan recorded reserves worth $180 billion and all that. You cannot compare India with that country.

SHRI JAGMOHAN: They have got no debt...*(Interruptions)*

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Only comparables can be compared. India cannot be compared with Japan. ...*(Interruptions)*

SHRI JAGMOHAN: They do not have debts...(*Interruptions*)

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Yes, what do you want to say, Dr. Biplab Dasgupta?

DR. BIPLAB DAS GUPTA: Sir, we have been raising this issue earlier also in the House. The Government has been integrating our economy fully with the world economy and making our rupee convertible without making a sober and careful assessment. They are actually throwing caution to winds, putting our economy in danger.

If you remember, what we said earlier was that we were earlier subjected only to the speculation of the Hawala market. Now we are subjected to the speculation by some of the mightiest forces in the world economy, the foreign exchange dealers. To that the Finance Minister had earlier answered several times: "Don't worry, the value of the Rupee in relation to Dollar has remained constant. We will weather the whole crisis. So, we should not worry about it." At that time we said that it was a long term issue. It is not a question of two years, three years or four years. So, my first question to the Finance Minister is whether he would now take back his assurance which he gave earlier and say that he was wrong. He did not take into account the long-term implications of subjecting the economy to speculation by some of the mightiest forces in the world.

The second issue is that we are not yet clear about some of the basic statistics. For example, what has been the extent of the flight of capital? Since this whole thing started, how much of money has gone out of our economy; to what extent the foreign exchange reserve has been depleted and how much of dollar has been spent by the Reserve Bank of India to buy Rupee? That is also not at all clear to us.

If the value of the Rupee is cheaper, exports would, of course, gain. What about imports? On balance what would be the position at the end of the year? Would our deficit go up or down? I would like the Finance Minister to make a categorical statement on this on the floor of the House.

Just one other question and I will stop. How the whole crisis has been engineered, that is also not clear to me. How did it come about? Is it because of inflationary pressures building up, so that a small correction was necessary. Was it deliberately done by RBI to bring the official rate in line with the unofficial rate? Was that the objective? Was it a fact that having engineered this, the RBI could not control it any more and the speculation went out of its hands. Was it not that the Government became the loser at the end because the Government engineered something and then could not control it? These are some of my questions.

SHRI SURINDER KUMAR SINGLA (Punjab): Sir, I am here for the last three and a half years. For the last three and a half years from the movers of the Calling Attention motions and Biplab Das Gupta Ji and Ashok Mitra Ji, I have been hearing all this kind of old mind set economic policy. I am actually sick of this. Probably the House is also sick of those things.

SHRI JAGDISH PRASAD MATHUR: We are sick of you, I mean the Government.

SHRI SURINDER KUMAR SINGLA: When one is really sick to see these things, one has to think afresh whether there is a need for a change in the policy, particularly when the ideological gods from whom they got inspiration have collapsed and failed. Their models have degenerated and brought ruination and misery to the whole populations of those areas. (*Interruptions*) Please sit down.

SHRI NILOTPAL BASU: Mr. Vice-Chairman, Sir, there are many bizzare ways of bringing in fresh things. I hope that Mr. Singla will not indulge in these things.

SHRI SURINDER KUMAR SINGLA: Please listen to me. The people who have been ruling in their State for the last 20 years and have failed and are ruining the State, they are telling all this to us. I come from Punjab, which is a prosperous State. The per capita income in our State is the highest. And if you want to copy the model for your country, you copy a model from my State, where the destiny of the Punjab people is in the hands of private people, who have generated wealth. If you have to learn, learn from Punjab. You are a destroyer of West Bengal, of what used to be West Bengal.

DR. BIPLAB DASGUPTA: What is the rate of growth of agriculture in Punjab now? *(Interruptions)*

SHRI SURINDER KUMAR SINGLA: I am not entering into another debate. For the first time in this country, the Indian State is trusting its own hands, who generate wealth. It is no longer true that the Indian State enterprise has not failed. That is the basic question. When Mr. Gurudas Das Gupta says that there is a deficit, let us see the 20 years' deficit Budget of West Bengal. *(Interruptions)*

SHRI DIGVIJAY SINGH: We are not discussing the State of Punjab here. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Singla, you need not reply on behalf of the Finance Minister. You can only put questions. That is all. If you have any questions, please put them.

श्री मोहम्मद सलीम: अब तक तो हम रुपए.. (व्यवधान) की बात कर रहे थे... (व्यवधान)

[श्री मोहम्मद سلیم: اب تک تو ہم روپئے ... "مداخلت" ... کی بات کر رہے تھے ... "مداخلت" ...]

*[] Transliteration in Arbic script.

SHRI SURINDER KUMAR SINGLA: I never disturb anybody.

श्री जगदीश प्रसाद माथुर: आपको तो फाइनेंस मिनिस्टर जवाब देंगे, ज्योति बसु यहां आकर जवाब देने वाले नहीं हैं।

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Singla, you can direct your questions to the Finance Minister.

SHRI SURINDER KUMAR SINGLA: I am addressing, Sir.

SHRI P. CHIDAMBARAM: If he doesn't put any question, it doesn't mean that he doesn't have a point of view.

SHRI SURINDER KUMAR SINGLA: I am coming to my questions. I am extremely happy and I am satisfied with the statement of the Finance Minister that the fundamentals of our economy are strong, in the sense that our industrial growth rate today has increased by 8 per cent which has not happened in 1981; and our exports have increased tremendously. It is a sign of growth. If there is any import imbalance, it is because of our people importing capital machinery to increase industrial production and to generate more employment opportunities in the country, rather than only promoting existing jobs. Many of them are unproductive.

My first question to the Finance Minister is: Considering Government of India's investment in the public sector which is enormous to the tune of Rs. 2,00,000 crores, which is most unproductive, would he apply his mind to privatise a lot of public sector undertakings? If these are privatised, they would yield more profits and generate more jobs. If it is not possible to do it today, would he induct sophisticated technology to make them more efficient so that we can generate more jobs, more income, more revenue in the State? At least immediate revenue deficit is looked after. Mr. Vice-Chairman, if you permit me, I can put a few more questions.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): These two

questions which you have put are very, very important. If he is able to reply to them, the problem would be solved. Yes, hon. Finance Minister.

SHRI MANMOHAN SINGH: Mr. Vice-Chairman, Sir, I am very grateful to all the hon. Members who have taken the trouble of raising some very important issues. And when we discuss the exchange rate of the rupee, we are not discussing the price of an ordinary commodity but the exchange rate has ramifications as to what happens to our economy. I think we appreciate the tenor and the tone of the debate. Some serious issues have been raised and I would be as truthful as I can in explaining the position, to the best of my ability regarding the current situation and how I see it, how we have got here and what are the immediate prospects of our economy. First of all, I would say that this debate has, perhaps, inevitably become a debate on the economic policy. Whatever we may say here, when I look around I see today a great deal of consensus in the country about the direction in which India ought to move. This morning's newspapers carried excerpts from the presentation of Shri V. P. Singh at a seminar arranged by the Harvard University. This morning *The Times of India* carried an interview of honourable Shri Chandrashekhar Ji, for whom I have great respect, with whom I had the privilege of working. When I look at these statements, even statements emanating from Bombay, all these convinced me that whatever the party differences, there is today a broad emerging consensus about the direction of our economic policy. That does not mean that we agree on every 't', 'i' or dot. I agree with Shri Digvijay Singh, I agree with Dr. Ashok Mitra, that we are dealing with the basic problems of our country, the problems of raising the living standards of 950 million people and getting rid of the chronic poverty, ignorance and disease which still afflict millions and millions of people in our country. One may differ about the figures. But I will be the last one to deny that there is still a lot of chronic poverty and that we, as a nation, have to work collectively to put our heads together, to put all the wisdom, experience and knowledge that exist in the country together to deal with these formidable problems because nobody really has the monoply of all the wisdom. And I will be the last one to say that we, in this Government, have been motivated by the strong conviction that we alone know what is best. So, I fully endorse that when it comes to dealing with the basic problems of management of our economy, of carrying forward an economic and social revolution in the framework of a democratic polity, there are no guidelines to do that. Many other countries have developed, but there are very few countries which have tried to carry out a social and economic revolution in the framework of parliamentary democracy, in the framework of adult franchise, in the framework of commitment to the rule of law. And therefore, while we may learn from other countries, there is no other country which provides us a model. Therefore, we have to, working together, evolve a model which is suited to the needs of the millions of our people.

Having said that, I would respectfully submit that when it comes to the question of exchange rate, I am reminded of Lord Keynes who once said--I say it in all respect—that very often, men of practical affairs are slaves to some defunct economics. The question of exchange rate and the question of population control happen to be the two issues where--I say it in all sincerity—the people on the extreme left and on the extreme right, both, think alike. And much water has flowed in the last 50 years for us to reconsider our attitude to the exchange rate. When I go back to the history of the freedom struggle of India, when we look at all the writings of the Indian economists before Independence, at that time, all our political leaders, all our serious-minded economists, used to

accuse the British Government of keeping, deliberately, an exchange rate which was unduly appreciated. They were saying that it was a conspiracy against Indian interests and we had to keep our exchange rates at realistic levels if we wanted India's economy to develop. But come Independence, here we have a situation where both our friends on the right and on the extreme left take a line of thought which is totally inconsistent with the line of thought which our leaders during the freedom struggle took, which the economists of India—very reputed economists, from Shri K.T. Shah to Shri C. N. Vakil, to Sir Purushottamdas Thakardas—took. If you read the debates from the Central Assembly, you will find that all of them have said that if India is to industrialise, India must have a realistic exchange rate. There is no sanctity to any given rate of exchange. The exchange rate has ramifications elsewhere. But basically, an exchange rate in our country has to be an exchange rate system which enables our economy to grow fast, which enables the Indian industry to grow fast, which enables our exports to grow fast and if we have to adjust.....*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Jibon Roy, just a minute.

SHRI MANMOHAN SINGH: If we have to adjust the exchange rate, I do not think it is a crime. And what we have done Sir,—I say it in all truthfulness--is not something which is going to hurt our economy; it is not something which is going to hurt India's balance of payments; it is not something which is going to hurt the growth of the Indian industry; it is not something which is going to hurt the growth of employment ...*(Interruptions)*.

DR. BIPLAB DASGUPTA: If this is right, why did you claim earlier about the constancy of the exchange rate ...*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Dr. Dasgupta, please take your seat. *(Interruptions)*. I would like hon. Members not to intervene like this. If any other questions or clarifications are needed, at the end of the reply, I may consider giving you some time; but not like this.

SHRI MANMOHAN SINGH: Sir, I would request the Members not to interrupt me because it interrupts my train of thinking and, therefore, I will be very happy to answer any number of questions at the end, but I would respectfully request that they should let me complete what I have been wanting to say.

I have been saying, Sir, that the exchange rate is a price, though a price which has ramifications, and therefore, one cannot tinker with it lightly and we have, therefore, considered all aspects of the matter and my own feeling is that the way the exchange rate has been moving is in the right direction.

Now a lot of our people said, Shri Gurudas Das Gupta said, that we should curb imports. Dr. Ashok Mitra said that we should curb imports. But if you keep the exchange rate artificially appreciated, that is an open invitation to encourage more imports. We want to have a system in which our imports and exports will come into balance. It cannot happen overnight, but we must have an exchange rate system which promotes a convergence between exports and imports. And facts can be presented in many ways, but in the early eighties we were financing only 50 per cent of our imports through our own export earnings; by the late eighties we were financing only 60 per cent, but today we are able to finance 90 per cent of our imports through exports. We do not want to go back. We want to make progress, and if we had kept the exchange rate artificially constant, when Sir, for one reason or the other, our inflation rate was higher than the rest of the world, that would have been a retrograde step, that would have been a movement against self-reliance, that would have been a movement of

making India dependent on foreigners, about which Dr. Ashok Mitra warned us very eloquently. So what we have done is, we have adjusted the exchange rate because we take seriously the commitment to self-reliance, that is true *swadeshi*, that in an interdependent world we must have an economic mechanism which enables us to stand on our own feet. We do not want this country to get into debt excessively, and I have all the data before me which show that this Government has worked year after year to moderate the growth of debt, not to increase the rate of growth of debt.

Shri Digvijay Singh mentioned the situation in 1991, and I do not want to apportion blame on anybody, but it is a fact that in that year the current account deficit of our country was as high as nearly ten billion dollars. Now we have worked to moderate that current account deficit. Current account deficit is a measure of the dependence of the country on foreign borrowings. I do not have to repeat the figures, but the fact that our Government has been in office for all these five years shows that we have managed to keep the current account deficit for 1994-95 at not more than 0.6 per cent of our GDP. If you look at the current account deficit as a percentage of GDP, it was 3.24 in 1990-91. Last year it was only 0.7 per cent. If you look at the current account deficit and debt service payments, debt service payments as proportion of current receipts, in 1990-91 these were as high as 35 per cent. Today they are less than 27 per cent. I am not saying that we have solved the problems of the country, but I respectfully submit to this august House, in all sincerity, that we have set in motion process and if we pursue this path, in another five years we would be able to bring our debt service ratio to about 20 per cent and that we should move gradually to a system where we do not have to go and rely on foreign debt. We should replace debt by foreign investment which is non-debt creating. That has been the broad direction of our policies. Now the real issue which boils down is that we had to adjust the exchange rate because the inflation rate in India turned out to be higher than the inflation rate in the rest of the world. If we care for competitiveness of our exports, which is the ultimate measure of self-reliance, then we have to adjust the exchange rate. I think what has happened is, quite honestly, in the long-term and in the medium-term interest of our country.

Now a reference has been made to the debt service. In a world in which prices are rising, nominal figures can be used to prove anything. But I would respectfully submit Dr. Biplab Dasgupta and Dr. Ashok Mitra are there, both of them are more learned economists than I am—that the ultimate incidence of the burden of debt is judged by the goods and services that you need to pay for your external debt. India is not in a position to influence such terms of trade. If our terms of trade are constant, then there is no reason to believe that the depreciation of the rupee affects the dollar price of our exports and if that be the case, there is no reason to presume one way or the other that the real debt of our country has gone up because of the depreciation in the exchange rate. I respectfully submit that it is a settled proposition in economic theory, and I would respectfully submit to those who have argued about the rise in the real burden of debt, that there is no presumption to jump to that particular conclusion.

Now Shri Gurudas Das Gupta said, "Is this slide leading to any further dangerous development?" I have already said that our economy is in good shape and this adjustment, which we have made, in fact, is an adjustment which would enable us to strengthen our economy, to strengthen our exports to see that our imports and exports are in a greater balance than they have been. As I see it, in the five months, import growth did accelerate and did cause concern. But in the last two months,

import growth has moderated and I am confident, as I said, that we would close the year with a current account deficit which will be fully matched by the inflow of capital which we can sustain year after year. So, there should be no doubt that the Indian economy remains strong. When I am on this point I would like today this. When I go abroad I see a lot of rumours being floated by Indian alumini that India is not as strong as it is made out to be. Whether you like it or not, India in the last four years has figured on the top pages of almost all respectable journals, all respectable newspapers of the world. There are countries which are jealous of that, and I have seen statements being floated that what is happening in India is an artificial thing. When statements are made by senior leaders of the Oppostion—I am not accusing anyone of lack of patriotism; they are as patriotic as I am, may be, more patriotic than I or we on this side of the House—without due care, it strengthens the hands of those who are out to harm our economy. Let me say that confidence is very fickle-minded thing. It takes years to build confidence and I take pride in the fact that whatever the Government has done it has built confidence. It takes months. It takes only days to destroy that confidence. I hope that despite all the differences that may exist among the political parties, the message should not go out that the improvement which has taken place in India's economy is an artifical improvement. I respectfully submit that I am willing to argue with anybody that that is not the case. Dr. Ashok Mitra brought up the figures from 1986-87 to 1991. Now you can prove anything by choosing the periods. I will not indulge in it. As Shri Digvijay Singh has said—I compliment him—in that year we were in an acute economic crisis. If you are in an acute economic crisis, it takes time to get out of that crisis. When I became the Finance Minister I said in public statement which I made that our country was in such great difficulties that the country should not expect anything except blood, sweat and tear for the next three years. I never promised that we can restore the rhythm of the economic processes, we can restore the growth of employment or we can bring the inflation rate down to the level to which we should do. It all takes time. We have had successes. But we have had limited successes. I am the one who has been saying that the inflation rate which we have brought down from 17 per cent to about 8 per cent is not good enough. It is not something where we can rest on our laurels.

SHRI GURUDAS DAS GUPTA: Will the hon. Minister kindly elaborate on the inflation rate? I don't want to disturb him. He has his own way of argument. The Government is deliberately dishing out a completely lower inflation rate.

Will he kindly explain how it is 8 per cent?

SHRI MANMOHAN SINGH: Sir, 8 per cent is the Wholesale Price Index.

SHRI GURUDAS DAS GUPTA: Is the Wholesale Price Index.....

SHRI MANMOHAN SINGH: I am coming to that. *(Interruptions)*. I am saying that in a short period of time ...*(Interruptions)*.

SHRI ASJOK MITRA: The secular trend is towards an increase in the rate of inflation. There is no doubt about it.

SHRI GURUDAS DAS GUPTA: How could the Wholesale Price Index be considered?

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Let him reply.

SHRI MANMOHAN SINGH: I am willing to accept that the inflation rate has not gone down as much as we would have liked it to be. But, what are the factors? If you were operating a system which was throwing up a current account deficit of 3.5 per cent, it means that you were financing a substantial part of the country's consumption by foreign borrowings. We are today in a situation

where only 0.6 per cent of the GDP is equal to the current deficit. That gives one indication. *(Interruptions)*. We are trying to make this country more self-reliant.

SHRI GURUDAS DAS GUPTA: The hon. Minister is extremely selective in his arguments. He is extremely selective.

SHRI MANMOHAN SINGH: We want to make this country more self-reliant. We are trying to reduce our dependence on foreign savings. Some temporary discomfort is inevitable. We do not feel ashamed that we had to raise the procurement prices at much faster rate than was the case before. Our farmers have responded well to that stimulus and that is why India today has a record amount of food-stock and we also have sizeable...*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Let him reply.

SHRI MANMOHAN SINGH: We also have sizeable export offers. Secondly, if you look at the foodgrain prices, since February, 1994, the prices of foodgrains available from the Public Distribution System, both of rice and wheat, have been kept constant. So, today we have a greater manoeuvrability to deal with the prices. I feel confident that in the months and years to come you will see a substantial improvement on the price-front also.

SHRI GURUDAS DAS GUPTA: The Minister has been saying this for the last three years. The Minister is promising this for the last three years.

SHRI MANMOHAN SINGH: I cannot produce rabbits out of a hat. I do admit that our economy ...*(Interruptions)*.

SHRI GURUDAS DAS GUPTA: But that is the reality.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): He has admitted it. There is a limit to admission.

SHRI MANMOHAN SINGH: How can we...*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Order, please.

SHRI MANMOHAN SINGH: I do admit that in order to control inflation.....*(Interruptions)*. I do agree that we have still to travel a long distance to bring prices to the level at which they ought to be. We have to work together as a nation to bring down the fiscal deficit. Some progress has been made, but not as much as we should have made. We have to broaden the tax base. Shri Gurudas Das Gupta has made some suggestions. We are willing to consider all possible suggestions to broaden the tax base. Similarly, we have to moderate the growth of expenditure. We have to improve the productivity of the public sector and wherever the public sector involves the mounting subsidy, we as a nation, have to find a solution to that problem without hurting the interests of the workers who work in the public sector.

In all these issues, progress has been made. But I would be the last one to say that the last word has been said or done in these areas. These are challenges before our nation. As Shri Gurudas Das Gupta has said and I entirely agree with him, we cannot sustain an import boom which we cannot finance through our exports. If we want to curb unnecessary imports, we have to keep the exchange rate realistic. That is what we have done. We cannot have an oil bill which is unsustainable. Therefore, we have to work to create mechanisms, domestic economic policies, as well as foreign exchange policies, which will moderate the growth of the oil bill and the exchange rate development that has taken place will assist in that process. We have to broaden the tax base. We have to increase employment. How can employment increase? We could not increase employment in our country because we had been suffering, for nearly 40 years—until 1991—from foreign exchange constraint. Foreign exchange constraint meant that we had erected a

plethora of controls, controls which were proving to be inefficient, controls which were proving to be a source of great uncertainty and sometimes of corruption and sometimes they encouraged smuggling also. Now this country is getting into a situation where the foreign exchange constraint is less and less binding and as the foreign exchange constraint is bent, I am confident, Indian industry will grow at a much faster rate. I think it was Dr. Mitra who mentioned that our saving and investment rates have gone down after the reforms. Now I did worry about the saving and investment rates. But some decrease in the investment rate is purely artificial. What was the case before? Before 1991, because of the great uncertainty of import policy, most Indian business kept raw materials equal to two years consumption. Now, my esteemed colleague, Shri Chidambaram has streamlined the import policy. He has liberalised it. They can get what they want off the shelf. They do not have to lock up two years capital in inventory. That is a good thing; not a bad thing. But statistics would show that there is a decline in the investment rate and since we measure savings and investments the way we do, that will show a decline in the saving rate. That sort of thing is not to be worried about. The real reason for India's savings and investment rate going down is the poor performance of the public sector savings. In 1970, Indian public sector savings were as high as 4.5 per cent. In the last five to six years, these savings have nearly disappeared. We have, as a nation to work to improve the productivity of the public sector, to control the expenditure of the Central Government and the State Governments and to see that current consumption is not encouraged at the cost of investment. I am saying this without entering into partisan politics. Today, when I go to various States, I find that irrigation is being stopped, I find that electricity is being stopped, I find that at the same time promises are being made to provide goods at subsidised rates. They are not being made effective. I think, there is a strange sort of moral and intellectual dishonesty that is taking place in all this. Politicians are making promises and they have no desire, nor the ability to fulfil it. There has to be greater honesty in the political governance of the country if we have to tackle effectively the promises of the Government of a country of India's size, of India's complexity. Sir, with these words, I think I covered most of the points.

SHRI NILOTPAL BASU: He has not replied to any of our questions .....*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): I cannot permit so many Members to put questions at one time....*(Interruptions)*.....Please take your seats. Only that will go on record which I permit and I assure you that I will give a chance to everybody. You have to be very brief and precise. I have permitted Shri Sikander Bakht to ask clarifications. Whosoever is permitted by me, his question will go on record.

विपक्ष के नेता (श्री सिकन्दर बख्त) : सदर साहब, मुझे एक बात कहनी है, मैंने इससे पहले दरख्वास्त की थी।....(व्यवधान)

[†][شری سکندر بخت: صدر صاحب مجھے ایک بات کہنی ہے۔ میں نے اس سے پہلے درخواست کی تھی۔۔۔ "مداخلت"۔۔۔]

श्री दिग्विजय सिंह : सब को देखें....(व्यवधान)

उपसभाध्यक्ष (श्री सतीश अग्रवाल): बिल्कुल देख रहा हूं सबको। दो आंखें बारह हाथ पिक्चर देखी है आज।

4.00 म०प०

श्री सिकन्दर बख्त: मैं यह जानना चाहूंगा कि फाइनेन्स मिनिस्टिर साहब की एक जादूगरी हमारी बिल्कुल समझ में नहीं आई सादा इकनोमिक के जो माहिर है वह किस तरीके से आपकी बात को समझे होंगे कि आपने यह कहा कि रुपये की कीमत जो गिर रही है उस से हिन्दुस्तान की अन्दरुनी इकोनोमी में किसी किस्म

[†] [ ] Transliteration in Arabic Script

को गिरावट नहीं आयेगी, यह बात बिल्कुल ही हमारी समझ में नहीं आई। रुपये की कीमत गिरने का डाक्टर साहब यह हश्र हो रहा है कि जो बाहर से आपने इनवेस्टर्स के लिए फूलड गेट्स खोल दिये हैं, वे अपने मुल्क की करन्सी लेकर यहां आते हैं और जब वह कन्वर्ट होती है हिन्दुस्तानी रुपये में, तो ब्लोट हो जाती है। हाउ यू एक्सपेक्ट ए लोकल• इण्डस्ट्री टू कम्पीट विद देम दिस सोर्ट आफ मनी। जो बिल्कुल ही हमारे रुपये की कीमत के गिर जाने की वजह से कई गुना बढ़ जाती है हमारा लोकल इण्डस्ट्री वाला कैसे उनसे कम्पीट कर सकता है, यह बात हमारी बिल्कुल समझ में नहीं आई डाक्टर साहब।

+[श्री सिकन्दर बख्त : मैं यह जानना चाहूंगा कि फाईनांस मिनिस्टर साहब की ये जादूगरी हमारी बिल्कुल समझ में नहीं आई। सादा इकोनामिक्स के जो मापदण्ड हैं वह किस तरीके से आपकी बात को समझे होंगे कि आपने यह कहा कि रुपये की कीमत जो गिर रही है इस से हिन्दुस्तान की इकोनामी में किसी किस्म की ग्रोथ नहीं आयेगी। यह बात बिल्कुल ही हमारी समझ में नहीं आई। रुपये की कीमत गिरने का डाक्टर साहब यह हश्र हो रहा है कि जो बाहर से आपने इनवेस्टर्स के लिए फूलड गेट्स खोल दिये हैं, वे अपने मुल्क की करन्सी लेकर यहां आते हैं और जब वह कन्वर्ट होती है हिन्दुस्तानी रुपये में, तो ब्लोट हो जाती है। हाउ यू एक्सपेक्ट ए लोकल इण्डस्ट्री टू कम्पीट विद देम दिस सोर्ट आफ मनी"। जो बिल्कुल ही हमारे रुपये की कीमत के गिर जाने की वजह से कई गुना बढ़ जाती है हमारा लोकल इण्डस्ट्री वाला कैसे उनसे कम्पीट कर सकता है, यह बात हमारी बिल्कुल समझ में नहीं आई डाक्टर साहब।]*

*[ ] Transliteration in Arabic Script.

SHRI GURUDAS DAS GUPTA (West Bengal): Mr. Vice-Chairman, it is most unfortunate that even though we tried to ascertain from the Government as to what was going to be the additional liability as a result of the decline of rupee vis-a-vis the dollar by Rs.3 or Rs.4, the Finance Minister has not chosen to give us the details. The only point he was harping on was this....*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Please don't repeat what he has already said. You put a question.

SHRI GURUDAS DAS GUPTA: Sir what I am saying is that he has not answered the point I have just repeated. Secondly, he has also not touched the other points which we have raised. He has not said anything about the wrong direction of our fundamentals, the decline in the quality of human life, employment situation, poverty, inflation, etc. The reply the Finance Minister gave us was an academic one. He has not said anything about what the Government is going to do on these issues.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): He is basically an academician.

SHRI GURUDAS DAS GUPTA: I wanted to know whether the decline in the value of the Indian rupee had little significance with regard to the economic development of this country. The Government's attitude is a careless attitude.

THE VICE-CHAIRMAN (SHRI SATISH AGRARAL): Mr. Finance Minister, please note down his query and clarify your position.

SHRI GURUDAS DAS GUPTA: Mr. Vice-Chairman, I would like it to be put on record. This is a careless attitude. This is a 'dont't care' attitude and it is this which in a way is responsible for the present situation.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr Gupta, he cannot answer this part of your query. You put those questions which he could answer. After all, this is not a motion which is going to be put to vote. There is thus, no use in convassing by either side. Now, Shri Biplab Dasgupta.

DR. BIPLAB DASGUPTA (West Bengal): Sir, I found it both amusing

and sad to note that our Finance Minister was deliberately trying to mislead this House on the question of the relative standing of our country. All that he said was that everybody was jealous of India. But I am sorry I had not seen anybody who was jealous of India's progress.

If you go by the statistics, what do you find? Take the World Bank's World Development report. India continued to remain as the 19th or 20th poorest country of the world, including the four years period during which Dr. Manmohan Singh has been heading the Finance Ministry. I wanted the Finance Minister to tell me if there was any improvement in the relative situation.

Take the statistics made available by the United Nations on social development indicators. These statistics put India at the very bottom of the list. Only a few countries like Burkino Faso could be jealous of India's progress. We cannot be proud if we are above Bangladesh and Nepal. When he says that we must be proud of our progress and that every body is jealous of our progress, we want to know the basis of this claim. I would very much like to know the basis of this claim from the hon. Finance Minister.

Mr. Vice-Chairman, let me be permitted to make another submission.

The Finance Minister is putting us in a 'catch-22' situation. Just now he has spoken of honesty. He said that if we were honest to the Indian economy, we should not say anything which could be demoralising because from that the speculators would get a hint and that would be worse for India's economy. That is why he suggests that we should not say anything bad of India. In that way, he wants to gag our mouths so that we don't criticise the Government's economic policies. He would be pleased if we accept whatever platitudes he delivers and whatever he says to be facts. All that he was saying was that w should accept whatever he said Otherwise, it would damage India' economy, it would embolde speculators...*(Interruptions)*...

THE VICE-CHAIRMAN (SHR SATISH AGARWAL): Now Dr. Asho Mitra.

DR. BIPLAB DASGUPTA: On minute, Sir. I am making my point.

All that I am saying is that eve though we raised very specific issues, h answered none of them. For example, h said that depreciation was possible devaluation was possible and tha sometimes devaluation would be goo for the country. Yes, he is absolutel correct. But it all depends on severa other factors such as a right exchang rate system, controlled inflation, etc. Bu this is not what the Finance Minister ha said over the last four years. What h was saying over the last four years i something very different from what he i saying today.

He said our economy is strong, loo at the constancy of the exchange rate. I all his speeches he bragged about it Now, when the exchange rate goes dow so alarmingly, he says it is quite natural Why didn't he say it before? He i talking about honesty! Sir, what I a saying is this, let there be a fran exchange of opinion. There is anothe instance which is about economi dishonesty. It is not about corruption but it is about economic dishonesty. He talked about the necessity to maintain prices, not to give subsidy. After this crisis broke out, what did the Chie Economic Adviser of the Government, Mr. Shankar Acharya, say? He said tha we should not worry about the prices because most of the prices are administered prices and so we will control it. How will you control it? By giving subsidies! *(Interruptions)*

SHRI MANMOHAN SINGH: I think, you should not bring in the officials. This should be expunged.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Dr. Ashok Mitra.

SHRI MANMOHAN SINGH: They are not here to defend themselves. *(Interruptions)*

DR. BIPLAB DASGUPTA: I am saying that the Government made this policy statement that the people should not be alarmed by depreciation because the administered prices are there and the prices will be maintained. What does it mean? It means that you will give subsidy. That is what you mean. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Dr. Ashok Mitra.

DR. BIPLAB DAS GUPTA: There are two different kinds of policies. It is duplicity. You are not honest with your own economic policy. That is the point that I am making. Thank you very much. *(Interruptions)* Mr. Singla, you may have difficulty in understanding it, but Shri Manmohan Singh has no difficulty. You have some difficulties.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Please don't have cross talks.

SHRI ASHOK MITRA (West Bengal): It is not possible to embarrass those who are beyond embarrassment. But I can go into the records of this House and prove to the satisfaction of the Finance Minister that he has gone on record extolling the virtue of consumption. Secondly, the State Governments are bound by the discipline on overdrafts. On the other hand, you have no discipline and it needs some, what shall I say, temerity, audacity, chicanery to talk about restraining consumption when you are creating record revenue deficit year after year. I am sorry for the Finance Minister.

डा॰ मुरली मनोहर जोशी: उपसभाध्यक्ष महोदय, मैंने दो-तीन बड़े स्पेसिफिक सवाल वित्त मंत्री जी से किए थे। आपने स्वयं यह स्वीकार किया है और आपने अपने उत्तर में भी स्वीकार किया है कि हमारे देश में घाटा बढ़ा हुआ है और घाटा बढ़ने की वजह से महंगाई बढ़ती है। महंगाई बढ़ने की वजह से रुपये का एक्सचेंज रेट बदलता है। मैंने पूछा था कि आप इस घाटे को रोकने के लिए क्या उपाय करेंगे, इसका आपने कोई जिक्र नहीं किया। मुझे ऐसा लगता है कि आप कैपटलिज्म को फालो कर रहे हैं मगर कैपिटल आपके पास नहीं है। यू आर फालोइंग कैपटलिज्म विदआउट कैपिटल। तो यह कैसे चलेगा? इस घाटे को कैसे रोकेंगे? अभी डेट-ट्रेप का मैंने उल्लेख किया कि कर्जा बढ़ रहा है। इस कर्जे से निकलने का क्या उपाय बतायेंगे? जो हमारे पेमेंट अगले साल 10-10, 11-11 और 12-12 बिलियन डालर होने वाले हैं, इसके भुगतान का इंतजाम क्या है क्योंकि आपका रिजर्वेशन कम है। यह रिजर्वेशन सिकुड़ जाएगा। 15 मिलियन डालर का भी रिजर्वेशन गया तो आप समझ लीजिए कि आपने मुसीबत बुला ली। मगर आपने इस बात का उल्लेख नहीं किया। आप बजट का घाटा कैसे रोकेंगे? और भी जो महंगाई बढ़ेगी, यह डिवैल्यूएशन निरन्तर होता रहेगा और एक्सचेंज रेट उसके साथ आप बदलते रहेंगे। इम्पोर्ट रेट के बारे में मैंने बोला था कि आपका इम्पोर्ट घट नहीं सकता क्योंकि कुछ ऐसे इलाके हैं जो इलास्टिक हैं। आप कैसे कैमिकल्स का इम्पोर्ट रोके रहेंगे, कैसे आप लोहे और फौलाद के क्षेत्र में जो होने वाला है, उसको रोकेंगे? कैसे आयल इम्पोर्ट को रोकेंगे, फर्टिलाजर इम्पोर्ट को कैसे रोकेंगे, हैवी इंडस्ट्री को कैसे रोकेंगे? जब तक आप अपना इम्पोर्ट कम नहीं कर सकेंगे, तब तक यह कैसे होगा? इसका रास्ता क्या है? मैं तो आपसे रास्ता जानना चाहता हूं। आपने सिद्धान्त तो बना दिए हैं कि घटाना है लेकिन जो इन-इलास्टिक एरियाज हैं, इम्पोर्ट के, उसे आप कैसे घटायेंगे? यह बैलेंस आफ पेमेंट इस तरह से बिखरता रहेगा, बजट का घाटा बढ़ता रहेगा, महंगाई बढ़ती रहेगी तो रुपये का डिवैल्यूएशन होता रहेगा। ऐसी स्थिति में आप देश को किधर ले जायेंगे। यह सवाल मैंने आपसे पूछे थे लेकिन आपने इनका कोई उत्तर नहीं दिया।

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Shri Sanatan Bisi.

SHRI SANATAN BISI (Orissa): When will a discussion be held in the House under Article 292 of our Constitution?

SHRI JAGMOHAN: The point I want to make is that you have to increase exports and to see that the increased imports are

matched by incrased exports. Is it not a fact that export increase is taking place at the expense of our environment and what you are really exporting is more and more environment, more and more cheap labour and putting the life conditions at a worst stage?

श्री गया सिंह (बिहार): उपसभाध्यक्ष महोदय, मैं वित्त मंत्री जी से एक ही सवाल पूछना चाहता हूं। अभी इन्होंने कहा डिवैल्यूएशन से हमारी इकनोमी पर, हमारी इंडस्ट्री पर कोई खास फर्क नहीं पड़ा है। मैं सिर्फ एक उदाहरण स्टील अथारिटी आफ इंडिया दे रहा हूं (स्टील -प्लांट) पर इस रुपए के अवमूल्यन से, सालाना बर्डन 200 करोड़ रुपए बढ़ गया है।

SHRI JIBON ROY (West Bengal): Sir, I have a question relating to life economy. The wholesale price is increasing. I do not bother about the total wholesale price increase, but the prices of primary commodities are increasing at a phenomenal pace. As per my calculations, the administered prices of the Public Distribution System have increased by 52 per cent during the last four-and-a-half years. The price of wheat has increased by 140 per cent during the last four-and-a-half years.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): What do you want to ask? That is a well-known fact.

SHRI JIBON ROY: I want to know whether the prices will come down. Another thing which I want to mention is that the tribal and poor people are not able to take advantage of the public utility system and the off-takes have gone down by 50 per cent at many places due to the price rise. One more point which I want to make is this. The hon. Minister has said that the savings of the public sector have come down. How can there be an increase unless capital investment is made, modernisation and updating of technology is done and budgetary support is given to the public sector?

SHRI DIPANKAR MUKHERJEE (West Bengal): Shri Gurudas Das Gupta also mentioned in his Calling Attention regarding the zero tax companies. My question is, while the Finance Minister talking about the public sector loss would he kindly clarify as to what he going to do about the zero tax compan and against that how much tax is be received by the Government from t public sector?

THE VICE-CHAIRMAN (SH SATISH AGARWAL): If he can that.

SHRI K.R. MALKANI (Delhi): T hon. Finance Minister referred to t controversy over exchange rate bef Independence. The range of discussi used to be whether one rupee should equal to one shilling four pence or c shilling six pence and what is the rar today? When India became free, c dollar was worth hardly two rupees a where are we today? The depreciation the Rupee is depreciation of India a my question is this. In the name exports the Government is allowing t rupee to fall and the prices to rise. T tragedy is that exports are not rising fast as imports. How do you explain th Unemployment is growing, your polic are self-defeating. Everytime newspa headlines say that exports have gone When you read third, fourth or fi paragraphs, you come to know t imports have grown faster than expo This is so partly because some impo are not flexible, but partly under pressu from the MNCs. There is continuo pressure on the Commerce Ministry allow more and more consumer goo into our country. That is how imports a growing faster than exports. On t whole, your policies are self-defeati and your exports are not even equal your imports, notwithstanding t continuous depreciation of Rupee.

श्री राघवजी (मध्य प्रदेश): मेरा प्रश्न यह है कि क्या यह कारण नहीं कि हमारे आयात बढ़ रहे हैं निर्यात घट रहे हैं इसलिए रुपए का अवमूल्यन तेजी हो रहा है और उसमें कोई सुधार आज तक परिलक्षित नहीं हुआ है और उसके कारण हमारा विदेशी कर्जा बढ़ता जा रहा है...

उपसभाध्यक्ष (श्री सतीश अग्रवाल): इतनी देर का भाषण सुनने के बाद आपने क्या नतीजा निकाला?

श्री राघवजी: मैं पूछना चाहता हूं कि क्या यह कारण नहीं है?

उपसभाध्यक्ष (श्री सतीश अग्रवाल): अंसारी।

श्री जलालुदीन अंसारी (बिहार): माननीय वित्त मंत्री जी से हम जानना चाहते हैं। उन्होंने बोलते हुए कहा कि खाद्यान्न की कीमत नहीं बढ़ी है, लेकिन मैं उनसे जानना चाहता हूं कि जन वितरण प्रणाली की जो सरकारी दुकान है, उसमें इन्होंने चावल, गेहूं और चीनी की कीमत बढ़ाई है और फिर ये बोलते हुए कैसे कहते हैं कि इन्होंने खाद्यान्न की कीमत नहीं बढ़ाई है?

SHRI E. BALANANDAN (Kerala): Sir, I am not going into any kind of economic theories. My family budget and the family budgets of all Indians are going away. Nobody can meet his family's requirement of daily life with what he is getting. For the last four years, if you see the price curve, it is going up and up. You cannot go to market today. Every family is suffering the same situation. Our hon. Finance Minister may be able to explain that. Maybe, we hear from him.

SHRI SOM PAL (Uttar Pradesh): Mr. Vice-Chairman, Sir, it is good that the hon. Finance Minister has come out with a very candid confession on two fronts. Firstly, the Government's inability to control expenditure and expenditure of the very Central Government of which he is the Finance Minister. Secondly, on the slippage on the inflation front. They have not been able to control it the way they wanted to.

My question is who has been stopping the Central Government from curbing its own wasteful expenditure and what concrete steps have they taken in these two directions during the past three or four years? He should elaborate to assure the House and the people of the country that the Government is sincere in these respects.

Nextly, there is a disturbing news, a write up—I think the hon. Minister must have seen—in the "Indian Express" of today or yesterday, by R.N. Bhaskar. Mr. Bhaskar says that this slide of the rupee has been deliberately allowed by the Government to facilitate the money which the politicians have stashed outside the country so that they get more rupees for a dollar. *(Interruptions)* This is the write up in the Indian Express. It is not that I have concoted it. This is what is said in the "Indian Express".

Nextly, with that phenomenon setting in, the supply of the dollar is likely to increase which will push the value of the rupee in the vicinity of elections and the Government will claim credit for that. Is this correct? I would like to know whether you would confirm it or deny it. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Basu, this was allowed up to 3 o'clock. I carried it over up to 3.30 p.m. On your insistence I carried it over up to 4 o'clock. And, then, I permitted dozens of Members to seek clarifications. After that there is going to be a reply on the Jammu and Kashmir debate by the hon. Home Minister. I can allow, of course. I am here. I will not fly away from here. *(Interruptions)*

श्री जगदीश प्रसाद माथुर: उपसभाध्यक्ष महोदय, डिबेट में नार्मली केवल वही लोग भाग लेते हैं जिनका नाम होता है। बाद में क्वेश्चन नहीं होते हैं।

उपसभाध्यक्ष (श्री सतीश अग्रवाल): यह आपत्ति तब आप करते जब राघवजी को अलाऊ किया था। अब आप बैठ जाइये।

SHRI NILOTPAL BASU (West Bengal): Mr. Vice-Chairman, Sir, one clarification. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): If I am liberal to one side, I am liberal to the other side also. *(Interruptions)* I am a Presiding Officer. I do not belong to BJP or any other party. *(Interruptions)* Yes, Mr. Basu, this is the last question.

SHRI NILOTPAL BASU: Sir, the hon, Finance Minster has been arguing

that the fall in the value of the rupee will facilitate competiveness of the Indian exports. I would like to know from him precisely what the import content is of the Indian exports? Because as per my information, the import content of the Indian exports is also quite high. So, if the Indian rupee value falls, our exports do not become competitive but became more uncompetitive.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Thank you very much. Mr. hon. Finance Minister.

श्री दिग्विजय सिंह: माथुर साहब कश्मीर में ज्यादा दिलचस्पी लेते हैं (व्यवधान)

श्री मोहम्मद सलीम: इतने सवाल हैं (व्यवधान) एक शेर बोल सकते हैं (व्यवधान)

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+[شری محمد سلیم: اتنے سوال ہیں۔
۔۔۔ "مداخلت" ۔۔۔ ایک شعر بول سکتے
ہیں ۔۔۔ "مداخلت" ۔۔۔]

उपसभाध्यक्ष (श्री सतीश अग्रवाल): जितने भी सवाल हो वह जवाब दे सकते हैं, जवाब देंगे।

SHRI MANMOHAN SINGH: Sir, I will try to answer all the questions.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): He has got the capacity to answer all the questions for any length of time but I am constrained.

SHRI MANMOHAN SINGH: I think, the first question Shri Sikander Bakht asked was how the Indian industry is going to remain competitive in view of the cheapening of the rupee. And what he fears is that the foreigners will be able to acquire Indian shares at cheaper rates. I would respectfully submit that in the final analysis whether foreign investment will come into India or not, our ability to service foreign debt will depend fundamentally on what happens to India's exports. If India's exports are not growing, then I do not think you will be able to become an attractive proposition either for foreign investors or even for those who want to lend money. So, the fundamental tenet of India's economic policy to make India a more attractive proposition, to strengthen our economy is to strengthen our exports. That is why I have laid emphasis on the impact of the exchange rate on the export competitiveness. It is certainly true that with the lowering of the value of rupee, foreigners come here and for them, I think, some goods may be cheaper. But, ultimately if they are looking at the rate of profit—they ae looking at the rate of profit in their own currency—the cheapening of the rupee also means that the dollar value of their profit does not go up. Therefore, it does not follow, I think, that this exchange rate change will necessarily enable foreigners to overpower our industry. I do not think that is likely to happen.

Now, Shri Gurudas Das Gupta referred to the increase in the liabilities. I have said that we are not in a world of fixed foreign exchange rates. The rupee exchange rate today is what it is. Tomorrow it can appreciate. If you are looking at the real increase in the liability, then I have already explained that the way we pay our debt, including principal and interest, is through export of goods and services. Now there is no reason to believe that because the rupee has depreciated, the real burden of debt has gone up. I think it is an accepted proposition that in nominal terms the things may go up but in real terms there is no basis for the conclusion a priority that the real burden of debt or the real liability has increased.

Now, with regard to the fundamental question that Shri Gurudas Das Gupta raised, I certainly do not agree with him that fundamentals are going wrong. All the evidence that I have seen shows that we are going in the right direction. But, that again, I think, will take me once again to debate on all the points which we have discussed. There is no evidence, I submit respectfully, I do not know what statistics he is quoting about increasing incidence of poverty, about increasing

*[ ] Transliteration in Arabic Script.

incidence of unemployment. I am not saying that we have solved all the problems of our country, but I would respectfully submit that if you look at the situation that prevailed ...*(Interruptions)*...

श्री दिग्विजय सिंह : आपकी बगल में जो मंत्री जी बैठे हैं इन्होंने सवेरे कहा था।

SHRI MANMOHAN SINGH: If you look at the situation that prevailed four years ago, we have made progress in all these areas... *(Interruptions)*...In 1991-92, according to the Planning Commission figures....*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Order please. Listen to him. ..*(Interruptions)*...

SHRI MANMOHAN SINGH:...the increase in employment was three million people. In the next two years...*(Interruptions)*...

श्री सिकन्दर बख्त: आई एम सॉरी, सदर साहिब, व सेम साइकिल हैज स्टार्टेड। हमें अफसोस है कि हमारे पास तो अब कोई चारा बचा नहीं है..**(व्यवधान)** सिवाय इसके कि हम मजम्मत के तौर पर वाक आउट कर जाएं...**(व्यवधान)** हम प्रोटेस्ट करते हुए वाक आउट करना चाहते हैं।

[जनाब सिकन्दर बख्त: आई एम सॉरी - सदर साहब - दी सेम सायकिल हेज स्टार्टेड हमें अफसोस है कि हमारे पास तो अब कोई चारा बचा नहीं है ... "मदाखलत" ... सिवाय इसके कि हम मजम्मत के तौर पर वाक आउट कर जाएं ... "मदाखलत" ... हम प्रोटेस्ट करते हुए वाक आउट करना चाहते हैं।]

[तत्पश्चात् माननीय सदस्य सदन का त्याग कर गए]

श्री दिगिवज सिंह: अगर यह गवर्नमेंट की राय है, सवेरे कुछ, शाम को कुछ — 11 बजे इन्होंने कुछ कहा, शाम को कुछ कहा..**(व्यवधान)**...अगर यह हाउस की हालत है तो हम वाक आउट करते हैं।

(तत्पश्चात् माननीय सदस्य सदन का त्याग कर गए)

DR. BIPLAB DASGUPTA: We are walking out...*(Interruptions)*..

(At this stage some hon. Members left the Chamber)

SHRI GURUDAS DAS GUPTA: Sir, in the morning we had a statement on the unemployment problem. ...*(Interruptions)*...Hon'ble Minister is contradicting that statement.... *(Interruptions)*... This is one Government. I think the hon. Finance Minister knowingly or unkowingly is covering up the truth. Therefore, as a protest, we are walking out... *(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Everybody has left.. *(Interruptions)*...Only you are here. ...*(Interruptions)*...Sometimes it is also a parliamentary strategy.

(At this stage some hon'ble Members left the Chamber)

SHORT DURATION DISCUSSION

On the Situation in Jammu and Kashmir —contd.

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN): Mr. Vice-Chairman, Sir, I must first express my regret that when the debate was on, since I was busy in the other House, I could not be present but our officers and also my colleagues have taken note of the points raised by hon. Members. To the extent possible, I will try to explain the Government's position so that there is no ambiguity on any issue which is being discussed on the floor of the House. Sir, again I have to repeat the same appeal which I made last time, that this Jammu and Kashmir issue will have to be treated as a national issue. Our approach to the problem cannot be partisan and a message has to go out of this House that the Indian Parliament is unanimous

*[ ] Transliteration in Arabic Script.